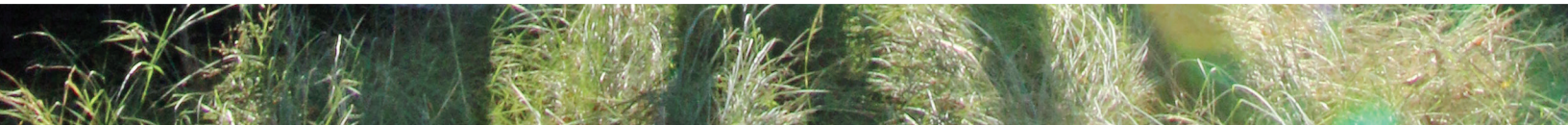
CITY OF ALLEN

Annual Comprehensive Financial Report

FISCAL YEAR ENDED SEPTEMBER 30, 2022

CITY OF ALLEN, TEXAS



CITY OF ALLEN

CITY OF ALLEN, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF ALLEN

FISCAL YEAR ENDED
SEPTEMBER 30, 2022

AS PREPARED BY THE
FINANCE DEPARTMENT

CITY OF ALLEN

City of Allen, Texas

Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2022
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CITY OF ALLEN

Introductory Section

CITY OF ALLEN

CITY OF ALLEN

March 9, 2023

Mayor Kenneth M. Fulk
The Honorable Mayor and Members of the Allen City Council,
Citizens of Allen:

The Finance Department is pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Allen, Texas (the City), for the fiscal year ended September 30, 2022.

This report is published to provide the City Council, our citizens, City staff, and other readers with detailed information concerning the financial position and activities of the City. Management has prepared the report and is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data is complete and reliable in all material respects. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Also included in this report is an unmodified ("clean") opinion on the City of Allen's financial statements for the year ended September 30, 2022, issued by Weaver and Tidwell, L.L.P. The independent auditors' report is located at the beginning of the financial section of the ACFR.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and the two should be read in conjunction with each other.

REPORTING ENTITY

This report includes all funds of the City including its component units. Component units are legally separate entities for which the City is financially accountable but are not part of the City's operations. The Allen Economic Development Corporation (AEDC) and Allen Community Development Corporation (ACDC) are included in the financial statements as discretely presented component units.

CITY PROFILE

The City of Allen is located in Collin County, which is the 16th fastest-growing county in the nation. Collin County's population reached 1,109,462 in 20221 and is expected to reach 2.4 million by 2050. Located 25 miles north of downtown Dallas on US 75, Allen encompasses approximately 27 square miles. The George Bush Tollway and Sam Rayburn Tollway (Hwy 121) provide direct access into the Metroplex and access to Love Field (27 miles) and Dallas Ft Worth International Airport (31 miles). The City of Allen sits in a prime location for restaurants, shopping centers and other retail venues. The quality of the City's community attracts well-educated residents with a high level of spending power and disposable income. Allen's population reached 109,039 residents in 2022, more than doubling from just over 45,000 in the year 2000 and is projected to reach approximately 140,000 at build-out.

Incorporated in 1953, Allen is a home rule charter city. The Charter can be amended only by a vote of the people and provides for seven non-partisan Council members, including the Mayor, to be elected at-large to staggered terms of three years. The Council is responsible for enacting ordinances, resolutions, and regulations governing the City as well as adopting the annual budget which serves as the foundation for financial planning and control. The City Council appoints the City Manager, who has full responsibility for carrying out Council policies and administering City operations. The Council also appoints the Municipal Judge and various advisory boards.

City service departments provide a full range of services including police and fire protection, emergency ambulance service, municipal courts, building code enforcement, library, parks and recreation, tourism, water and sewer services, sanitation/solid waste services, traffic engineering, and construction and maintenance of streets and infrastructure. The City currently supports a staff of 858.69 full time equivalent employees.

ECONOMIC CONDITIONS AND OUTLOOK

Regional Economy

The Dallas-Fort Worth area has an incredibly diversified economy, an extremely low unemployment rate, a growing labor force, low cost of living, affordable real estate, and a superior business climate. The City of Allen's unemployment rate as of September 2022 was 2.8%, and the Collin County unemployment rate was 3.0% -- both of which were below the national rate of 3.5%. The city has seen the job market increase by 7.9% over the last 5 years. Allen has increasingly become a home for highly educated, high-income professionals, yet maintains a welcoming spirit for people and families from all stations of life. The median household income in Allen was $112,603 in 2022, and over 59% of the City's residents have earned a bachelor's degree or higher.

Allen's Position in the Region

Along with being situated in an ideal location just 12 miles north of Dallas on US 75, Allen's appealing demographics have spurred along record-breaking growth. The population of 109,039 is expanding at a moderate growth rate. Allen is a community that offers exceptional housing, award-winning schools, steady job growth, and dynamic business climate all of which are strong factors in the success of the City's economy.

Allen is a vibrant city with award winning amenities. The pro-business environment and superior quality of life come together to empower Allen's residents and businesses to achieve higher levels of success. This unique combination has received national recognition, including Wallet Hub ranking Allen the 2nd best real-estate market in America. (2022)

Long Range Financial Planning

The City's responsiveness to emerging economic challenges and its long-term planning have been key factors in its fiscal health. The City has a five-year financial plan and a seven-year capital improvement plan where departments reevaluate project priorities, review funding sources, and identify new projects as needed. Using this plan allows the City to plan the timing of projects associated with debt issuance and the effects on the tax rate. The ratings on the City's General Obligation debt were reaffirmed at AAA by Standard and Poor's and Aaa by Moody's. The Water and Sewer Revenue Bonds are rated 'AAA' from Standard and Poor's and Aa2 from Moody's. S&P's recent rating report supporting the 'AAA' rating stated the following credit factors:

- Very strong economy
- Very strong management with strong financial policies and practices
- Very strong budgetary flexibility and strong budgetary performance
- Very strong liquidity
- Adequate debt and contingent liability position
- Strong institutional framework score.

During fiscal year 2016, the City began a CIP Bond Program that totaled $93 million and estimated to be completed over seven years. Since that time Allen has issued $62,810,000 related to the bond program. In fiscal year 2022, the City issued $23,000,000 of General Obligation Improvement Bonds to construct and improve park, library and public safety facilities and to improve and maintain streets, bridges and sidewalks within the City.

Fiscal Year 2022 Highlights

During fiscal year 2022, the City accomplished many initiatives to enhance livability, improve personal experience, invest in the future, and celebrate the successes. From quality neighborhoods to park development, community safety, and environmental initiatives, it's no surprise that people move here to experience the quality of life the citizens of Allen enjoy.

The City continues to meet the growing diversity of residents by adding a variety of housing types--single-family homes, townhomes, and multifamily units; single-family and townhome revenue activity represent the predominant revenue sources. Permit activity for commercial and mixed-use development showed the greatest revenue across all development types, due largely to the development activity in the Watters Creek District and The Farm mixed-use development. The City also administered Community Development Block Grant funds that funded rent and utility assistance to 74 households and 15 home rehabilitation projects in Allen's aging neighborhoods. All funds were administered to programs impacting low-moderate income persons within the City of Allen.

The City has an overall crime rate of 10.26 per 1,000 residents compared to other communities of similar population size, the City has a crime rate that is one of the lowest in the nation. According to SafeWise's list of Texas's 50 Safest Cities of 2022, Allen ranks 38th safest city in Texas and was the third safest city listed with a population exceeding 100,000 residents. Regarding violent crimes, *NeighborhoodScout's* research shows that Allen's violent crime rate is 1 per 1,000 inhabitants, which is well below the national average for all communities of all population sizes.

The Fire Department is currently focused on improving emergency services and care for its citizens and visitors. The department has updated medical treatment protocols to include the latest in-patient care, expanded professional development programs for staff, and provided education programs to the community. Additionally, the department has implemented a new records management system to better organize data. Construction of Fire Station #6 is currently underway and the department has increased inter-operability with neighboring fire departments through joint training and resource sharing.

Environmentally focused public activities came back to life in fiscal year 22 as the COVID pandemic subsided. Educational opportunities were provided to home schoolers, local schools, scouts, and youth camps. The City was able to provide 60 programs to 5,137 children and adults. Various Keep Allen Beautiful (KAB) youth contests and award ceremonies were conducted before the Allen City Council at Regular City Council meetings. Our franchised waste services provider, Community Waste Disposal, continued to support all residential and commercial waste and recycling activities including the major KAB events like Great American Clean Up and Allen Recycles Day. The City celebrated its 22nd annual Arbor Day and marks the City's 21st year as a Tree City USA, and its 20th National Arbor Day Foundation Growth Award. KAB and the City continue to be recognized by Keep Texas Beautiful as a Gold Star Affiliate and Sustained Excellence Award Winner. The highlight of this year's accomplishments was selection by Keep Texas Beautiful for the Governor's Community Achievement Award for Population Category 9. This was KAB's third time to receive this award that recognizes the City and KAB as the best in public environmental activities among cities of our size. The award came with a $290,000 grant to beautify the city.

The Allen Public Library (the "Library") continues to provide a vibrant, welcoming environment for Allen citizens with an emphasis on exemplary customer service and support for lifelong learning, literacy, access to information, and bringing the community closer together. To encourage literacy and lifelong learning, the Library offers programs for children and teens on art, science (including robotics and coding), animals, and reading. Adults find opportunities to feed their literary, cultural, historical, musical, and travel interests augmented by hands-on activities for crafts and food. During the hot Texas summers, visitors of all ages participate in the cool Summer Reading Clubs, while reading, learning, and earning prizes. The Library's digital collection, both e-books and e-audiobooks, continue to grow with the cloud Library service, notably through a consortium with thirty-three other Texas libraries, to offer more than 215,000 items. Physical books and DVD's remain more popular than ever, especially among children and families. During fiscal year 2022, the Library was recognized by the Texas Municipal Library Directors Association for the eighth consecutive year for Achievement of Library Excellence. The Library also provided citizens with access to information outside the Library through databases, Interlibrary Loans, and expanded options for digital books, audiobooks, digital magazines, and digital graphic novels from *cloudLibrary*.

During fiscal year 2022, the CDC oversaw the expenditure of Type B half-cent sales tax revenue on projects that enhanced the overall quality of life in Allen. Some of these projects included: construction of various hike and bike trails,; Allen USA Celebration, Demand Response (paratransit transportation);, planning for a new dog park, Allen Heritage Village renovations, various playground renovation/replacements and shade structure additions, completion of the steam locomotive restoration at Allen Heritage Center construction of Stephen G Terrell Recreation Center and Park and master planning of Molsen Farm.

The Allen Economic Development Corporation (AEDC) worked to bring a variety of companies and related development to Allen. The AEDC facilitated the kickoff of development along SH 121 with completion of Phase 1 for The Farm in Allen, including the roadway and utility infrastructure, a shared parking garage and The HUB entertainment facility. AEDC also facilitated the commitment of two additional entertainment users to the development, Chicken N Pickle and High 5, and negotiated incentive agreements for FarmWORK One, a 101,000-SF Class A Office building to be constructed at The Farm. MD7 was welcomed into their new suite in One Bethany West, which will house approximately 200 of their employees. Credit Union of Texas was assisted in redeveloping 415 Century, the former WatchGuard facility that is now home to CUTX's FairLease program. Growing tech firm Strike Photonics purchased a 165,000-SF office building with plans to add a capital investment of $84 million and 400 new jobs. Substantial progress was made in the construction of Allen Tech Hub, a 105,000 SF technology-focused office building in Watters Creek by Heady Investments. Additional office tenants who committed to Allen in FY22 include National Produce Consultants (Foodbuy) and Keynote Photonics (Visitech).

One of the City's major draws, The Credit Union of Texas Event Center, consists of a main arena and support facilities, the Allen Community Ice Rink, the south parking structure, and shared ownership of the north parking structure with The Village at Allen. The Center hosts a wide variety of activities including shows, concerts, exhibitions, contests, athletic competitions, cultural events, trade shows, as well as civic ceremonies and activities. We are beginning to see pre-pandemic levels of participation at sporting events and live shows helping to bring in an annual estimated impact of over $12,000,000. The Event Center is also home to professional sports with the Allen American Hockey Club (ECHL), and the Dallas Sidekicks Soccer Club (MASL) residing there. The Center celebrated its 13th anniversary in November 2022.

With all this happening within Allen's borders, it's clear the City is working hard to provide every resident and visitor with great experiences, services, and safety.

Relevant Financial Policies

The City's financial policies and practices set forth the basic framework for the fiscal management of the City. The policies and procedures were developed within the parameters established by applicable provisions of the Texas Local Government Code, the City of Allen charter, and internal management laws, and are reviewed on a periodic basis. The Investment Policy is also approved annually by the Council. All other policies (accounting, budgeting, procurement, capital improvements, asset management, and risk management) are internal policies approved by the Finance department and City Manager. On a quarterly basis, the Finance Department prepares financial and investment reports that are presented to the City Council.

Internal Control

Management of the City, through its Finance Department, is responsible for the implementation, maintenance, and monitoring of a set of comprehensive internal controls. The goal of the City's system of internal control is to limit opportunity for theft, fraud, or abuse by ensuring adequate separation of duties and systematic monitoring with a positive control environment set at the top of the organization. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

AWARDS AND ACKNOWLEDGEMENTS

Awards -- The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Allen for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021. Fiscal year 2021 was the twenty-third consecutive year for which the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, for Excellence in Financial Reporting, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Programs requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Award for Distinguished Budget Presentation for its annual program of services dated October 1, 2021. This is the twenty-second consecutive year the City has received the award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories including policy document, financial plan, operations guide, and communications device.

Acknowledgements – We would like to express our sincere gratitude to City's personnel who contributed to the production of this report, especially the accounting division. Appreciation is expressed to representatives of Weaver, LLP, for their invaluable assistance in producing the final document, and to the City Manager's office and the members of the City Council, whose leadership and commitment are vital to the health and vitality of the City of Allen.

Respectfully submitted,

Eric Ellwanger
City Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Allen
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

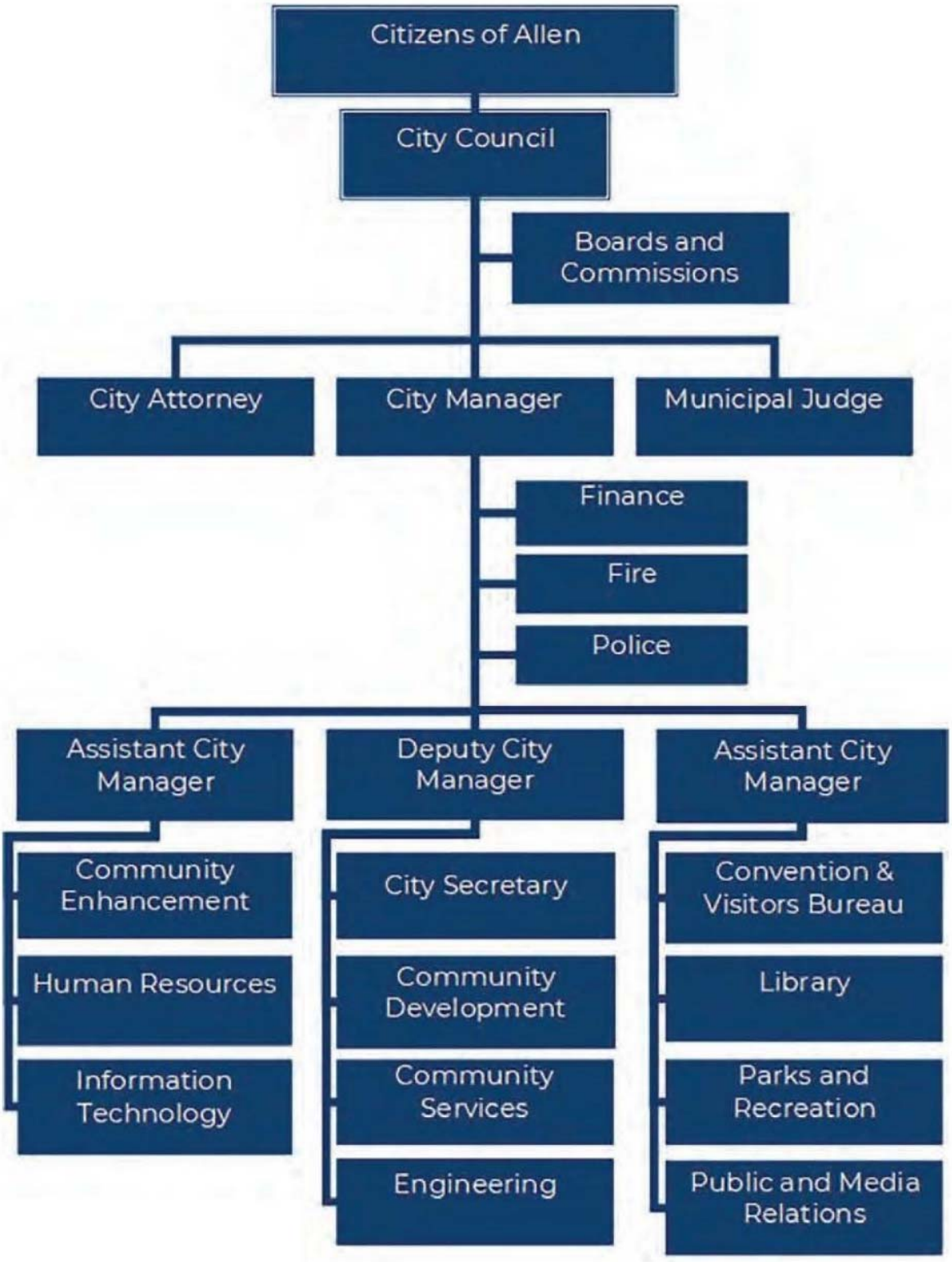
September 30, 2021

Christopher P. Morrill

Executive Director/CEO

CITY OF ALLEN

ORGANIZATIONAL CHART



CITY OF ALLEN, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2022

CITY OF ALLEN

City Council

Mayor	Kenneth M. Fulk
Mayor Pro Tem, Place No. 4	Chris Schulmeister
Councilmember, Place No. 1	Daren Meis
Councilmember, Place No. 2	Carl Clemencich
Councilmember, Place No. 3	Dave Cornette
Councilmember, Place No. 5	Dave Shafer
Councilmember, Place No. 6	Ben Trahan

Management Staff

City Manager	Eric Ellwanger
Chief Financial Officer	Peter Phillis
Assistant Chief Financial Officer	Mark Davies
Chief Accountant	Tru Nguyen

Financial Section

CITY OF ALLEN

Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
City of Allen, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Allen, Texas (the City) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended September 30, 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and budgetary comparison schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the (ACFR). The other information comprises the Introductory Section and Statistical Section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 9, 2023

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Management's Discussion and Analysis

As management of the City of Allen, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources (net position) at September 30, 2022, by $666,066,842. Of this amount, $147,411,252 (22%) represented the unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by $18,891,440. Out of this, $9,741,178 is from governmental activities and $9,150,262 is from business-type activities.
- On a government-wide basis, the City's total assets increased by $27,712,991 or 3% and total liabilities increased by $2,412,842 or 1%.
- As of September 30, 2022, the City's governmental funds reported combined ending fund balances of $130,731,687 an decrease of $12,844,229 or 9% in comparison to the previous year. As of September 30, 2022, $28,615,271 or 22% of the fund balance, is available for spending at the government's discretion (unassigned fund balance).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner like that of a private-sector business.

The Statement of Net Position presents information on all the City's assets, deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as useful indicators of whether the financial position of the City is improving or deteriorating. To assess the overall health of the City, other non-financial factors should also be taken into consideration, such as changes in the City's property tax base and the condition of the City's infrastructure.

The Statement of Activities presents information that shows how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event that gives rise to the change occurs, regardless of the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused compensated absences). Both the Statement of Net Position and the Statement of Activities are prepared utilizing the accrual basis of accounting.

In the government-wide financial statements, on pages 21 through 23, the City is divided into three kinds of activities:

- **Governmental activities** - Most of the City's basic services are reported here, including the police, fire, library, community development, parks and recreation, municipal court, and general administration. Property and sales taxes, charges for services, franchise fees, and state and federal grants finance most of these activities.
- **Business-type activities** - The City's water, sewer, solid waste, drainage, and golf course operations are reported here. These are functions intended to recover all or a significant portion of their costs through user fees and charges.
- **Component units** - The City includes two separate legal entities in this report: the Allen Economic Development Corporation (AEDC) and the Allen Community Development Corporation (ACDC). Although legally separate, these component units are important because the City is financially accountable for them.

Fund financial statements - A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into three categories: governmental, proprietary, and fiduciary funds.

Governmental Funds - These funds are used to account for most of the City's activities, which are essentially the same functions as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as resources available for future spending at fiscal year-end. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. When compared with similar information in the broader government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. Reconciliation is provided, which details the relationships or differences between governmental activities and governmental funds; reconciliation follows the fund financial statements.

The City maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, General Capital Projects Fund, Grants Fund and General Obligation Bond Fund, all of which are major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 23 through 30 of this report.

Proprietary Funds - The City maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations, solid waste collection and disposal services, drainage operations, and golf course operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for vehicle, machinery, and equipment replacements and costs associated with workers compensation, liability and property insurance, and employee medical and dental insurance programs. These services have been included within governmental activities in the government-wide financial statements as they predominantly benefit governmental rather than business-type functions.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations, solid waste collection, and disposal services since they are major funds of the City. The Drainage Fund and the Golf Course Fund are the only remaining enterprise funds, and they are being presented as major funds even though they do not meet the criteria of a major fund. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining schedules elsewhere in this report.

The basic proprietary fund financial statements are located on pages 31 through 35 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside of the primary government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements are located on pages 36 and 37 of this report.

Notes to the Financial Statements - Additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements is provided in the notes to the financial statements located on pages 41 through 81 of this report.

Required Supplementary Information includes budgetary comparison schedules that have been provided for the general fund and grants fund to demonstrate compliance with the budget. Required supplementary information also includes schedules of changes in net liabilities and related ratios and on contributions to the City's pension and other postemployment benefits (OPEB). The City participates in Texas Municipal Retirement System (TMRS) for its pension plan and provides its employees with post-retirement healthcare benefits (OPEB). The required supplementary information is found on pages 84 through 92 of this report.

The combining and budgetary schedules referred to earlier include information for nonmajor governmental funds, internal service funds, and the discretely presented component units, and are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time net position may serve as a useful indicator of the financial position of a government. The assets and deferred outflows of the City of Allen exceed the liabilities and deferred inflows by $666,066,842 at September 30, 2022.

By far the largest portion of the City's net position, $501,323,754 or 75%, reflects its net investment in capital assets (i.e. land, buildings, infrastructure, vehicles, machinery, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the City's net position, $17,331,836 or 3%, represents resources that are subject to external restrictions on how those resources can be used. The remaining balance of $147,411,252 (22%) is available to be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City reported a positive balance in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The net position for governmental activities and business-type activities are summarized as follows:

Table 1
Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	$ 187,962,485	$ 195,021,780	$ 87,665,268	$ 83,767,718	$ 275,627,753	$ 278,789,498
Capital assets	481,832,657	455,623,057	131,379,364	126,714,228	613,212,021	582,337,285
Total assets	669,795,142	650,644,837	219,044,632	210,481,946	888,839,774	861,126,783
Deferred outflows of resources	10,041,701	13,438,962	1,252,185	1,664,766	11,293,886	15,103,728
Long-term liabilities	153,972,967	154,118,063	33,303,148	36,272,031	187,276,115	190,390,094
Other liabilities	25,320,841	21,517,657	5,090,349	3,366,712	30,411,190	24,884,369
Total liabilities	179,293,808	175,635,720	38,393,497	39,638,743	217,687,305	215,274,463
Deferred inflows of resources	14,678,073	12,324,295	1,701,440	1,456,351	16,379,513	13,780,646
Net position:						
Net investment in capital assets	392,949,598	388,795,081	108,374,156	113,396,556	501,323,754	502,191,637
Restricted	16,101,110	14,807,800	1,230,726	764,763	17,331,836	15,572,563
Unrestricted	76,814,254	72,520,903	70,596,998	56,890,299	147,411,252	129,411,202
Total net position	$ 485,864,962	$ 476,123,784	$ 180,201,880	$ 171,051,618	$ 666,066,842	$ 647,175,402

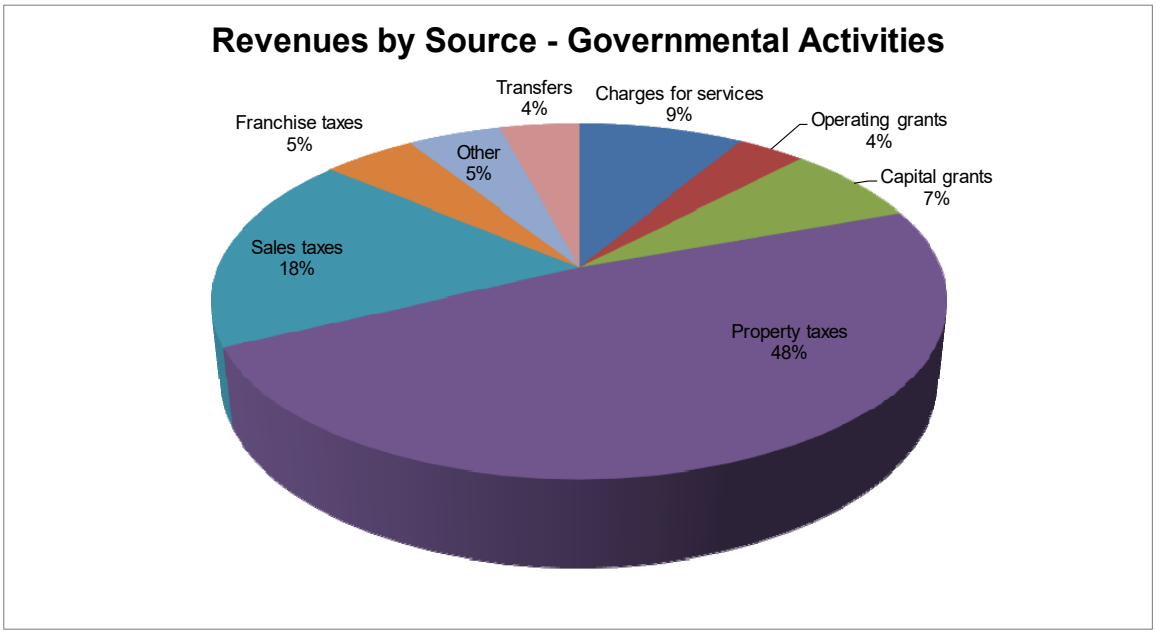
As of September 30, 2022, the City had an overall increase in net position of $18,891,440 for the primary government, which represents an increase of $9,741,178 for governmental activities and an increase of $9,150,262 for business-type activities. Details are in Table 2 as listed below.

Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	$ 13,259,722	$ 11,923,642	$ 71,283,519	$ 62,161,777	$ 84,543,241	$ 74,085,419
Operating grants and contributions	5,477,428	4,874,743	-	-	5,477,428	4,874,743
Capital grants and contributions	11,162,094	8,535,198	4,072,343	5,695,888	15,234,437	14,231,086
General revenues:						
Property taxes	74,289,475	71,946,802	-	-	74,289,475	71,946,802
Sales tax	27,609,918	25,599,945	-	-	27,609,918	25,599,945
Franchise taxes	7,481,353	6,821,738	-	-	7,481,353	6,821,738
Hotel motel taxes	2,074,533	1,337,147	-	-	2,074,533	1,337,147
Other taxes	1,425,226	1,171,378	-	-	1,425,226	1,171,378
Investment earnings	(4,921,824)	1,118,970	(1,830,191)	398,387	(6,752,015)	1,517,357
Gain on sale of capital assets	291,333	322,084	-	7,585	291,333	329,669
Miscellaneous	8,689,016	5,311,149	1,147,237	444,175	9,836,253	5,755,324
Total revenues	146,838,274	138,962,796	74,672,908	68,707,812	221,511,182	207,670,608
Expenses:						
General government	26,469,412	22,940,360	-	-	26,469,412	22,940,360
Public safety	63,891,672	49,532,988	-	-	63,891,672	49,532,988
Public works	9,148,396	19,661,514	-	-	9,148,396	19,661,514
Culture and recreation	36,053,830	29,359,242	-	-	36,053,830	29,359,242
Community development	5,587,202	6,330,539	-	-	5,587,202	6,330,539
Interest on long-term debt	2,312,561	3,103,192	-	-	2,312,561	2,980,513
Water and sewer	-	-	46,917,817	46,442,937	46,917,817	46,442,937
Solid waste services	-	-	7,088,901	6,824,441	7,088,901	6,824,441
Drainage	-	-	1,349,306	1,497,014	1,349,306	1,497,014
Golf course	-	-	3,800,645	3,557,076	3,800,645	3,557,076
Total expenses	143,463,073	130,927,835	59,156,669	58,321,468	202,619,742	189,249,303
Change in net position before transfers	3,375,201	8,034,961	15,516,239	10,386,344	18,891,440	18,421,305
Transfers	6,365,977	4,007,336	(6,365,977)	(4,007,336)	-	-
Change in net position	9,741,178	12,042,297	9,150,262	6,379,008	18,891,440	18,421,305
Net position, beginning of year	476,123,784	464,081,487	171,051,618	164,672,610	647,175,402	628,754,097
Net position, end of year	$ 485,864,962	$ 476,123,784	$ 180,201,880	$ 171,051,618	$ 666,066,842	$ 647,175,402

Governmental activities

Revenues – The following chart visually illustrates the City's revenue by sources for governmental activities:



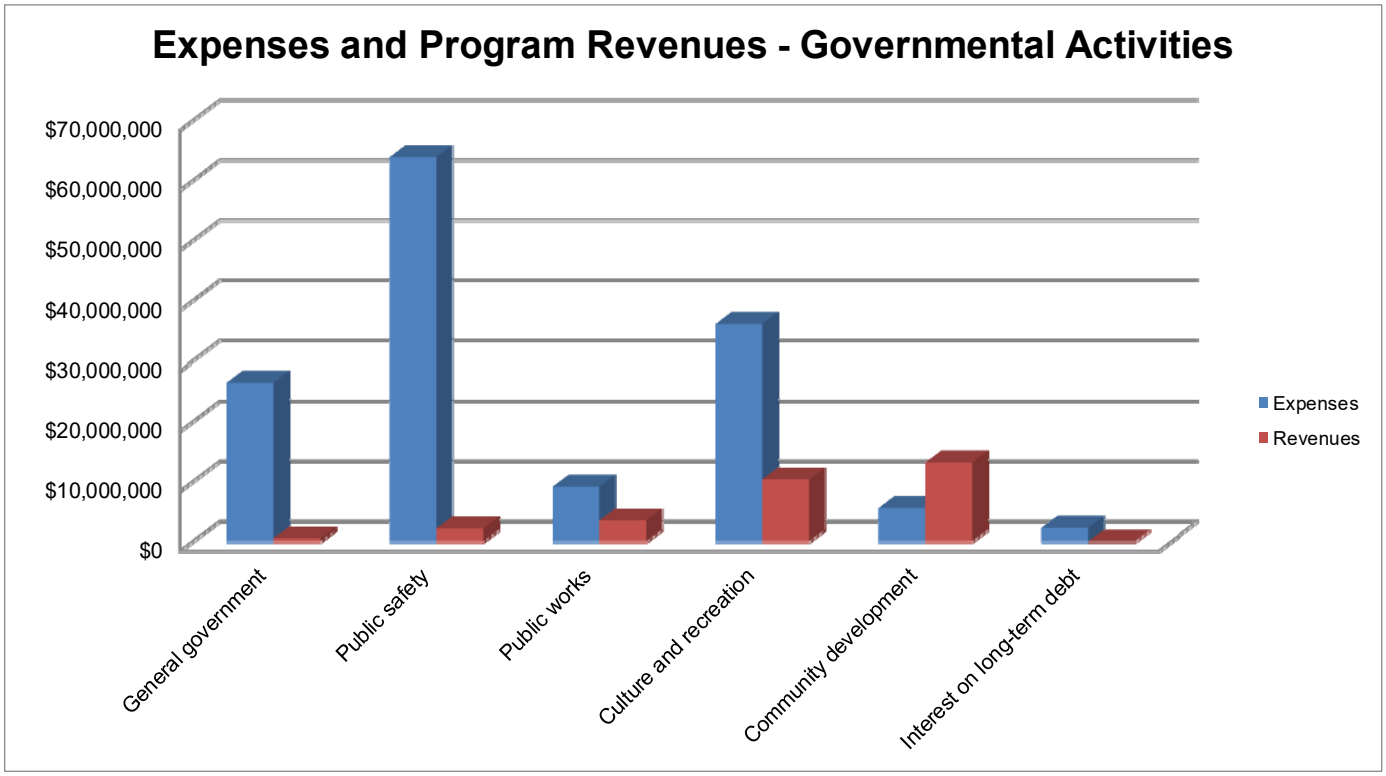
Revenues for the City's governmental activities totaled $146,838,274, an increase of $7,875,478 (6%). Major components of revenue increases and decreases are explained as follows:

- Property taxes increased by $2,342,673 (3%), due to an increase in assessed value and new property additions.
- Sales taxes increased by $2,009,973 (8%), as a result of better than expected economic conditions. The City of Allen is largely dependent upon retail sales. The consumer purchased
- more goods than expected.
- Franchise taxes increased by $659,615 (10%), due to new growth in the City.
- Hotel motel taxes increased $737,386 (55%), as a result of increased tourism.
- Charges for services increased by $1,336,080 (11%) primarily due to City facilities being operational for a full year compared to a partial year of operations emerging from COVID.
- Operating grants and contributions increased by $602,685 (12%), due to recognition of grant revenue.
- Capital grants and contributions increased by $2,626,896 (31%) with higher construction activities.
- Investment earnings decreased by $6,040,794 (540%) over prior year, as a result of interest rates and a decrease in fair market values of investments during fiscal 2022.

Expenses for governmental activities totaled $143,463,073, an increase of $12,535,238 (10%) from fiscal year 2021. Components of increases and decreases are explained as follows:

- Expenses for General Government increased by $3,529,052 (15%), due primarily to increased costs related to services.
- Expenses for Public Safety increased by $14,358,684 (29%), due primarily to the scheduled salaries market adjustment for both Fire and Police departments.
- Expenses for Public Works decreased by $10,513,118 (53%), because the City is completing its bond program.
- Expenses for Culture and Recreation increased by $6,694,588 (23%), due to increased activities.

The following chart illustrates the relationship between expenses and program revenues for governmental type activities:



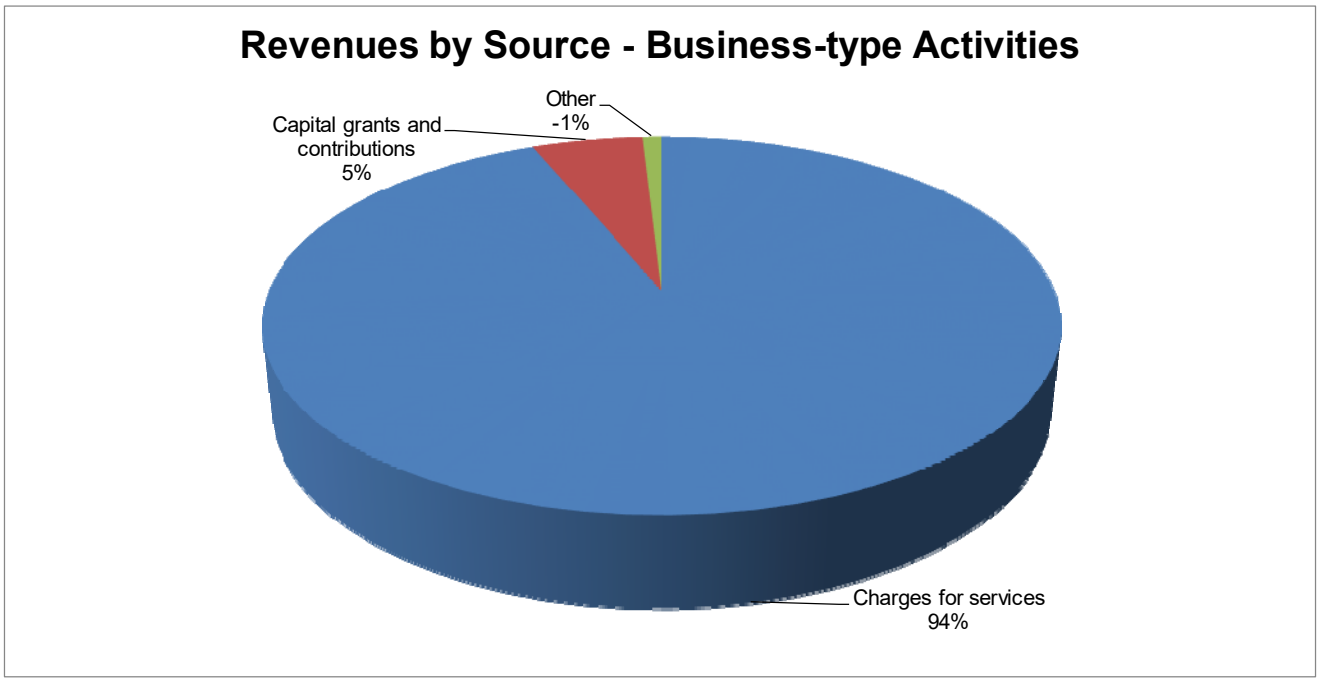
Business-type activities –

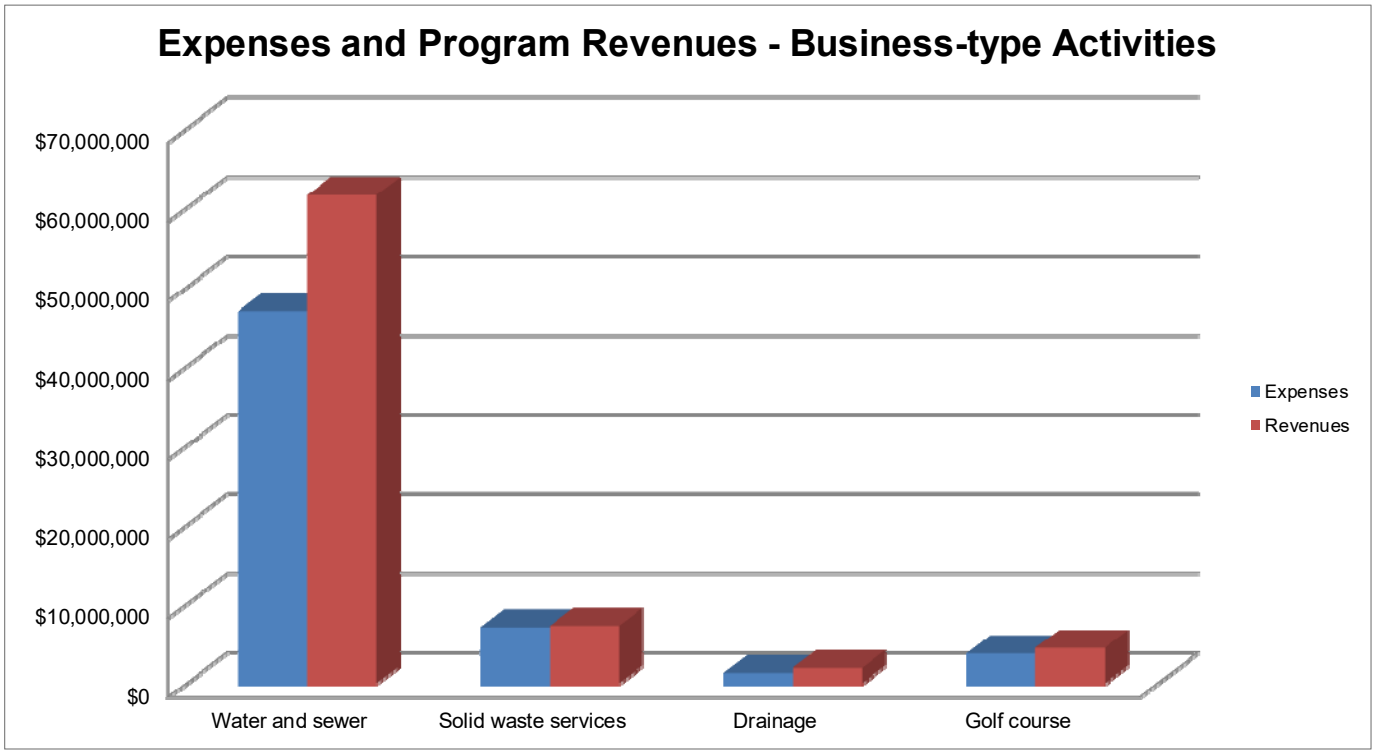
Revenues from business-type activities totaled $74,672,908, an increase of $5,965,096, or 9%. Major components of the net decrease are as follows:

- Charges for services for business-type activities increased by $9,121,742 (15%), due to an increase in water and sewer rates and a very dry summer.
- Capital grants and contributions decreased by $1,623,545 (29%) over the prior year due to lower construction activity.
- Investment earnings decreased by $2,228,578 (559%) over fiscal 2021 due to higher interest rates offset by a larger decrease in the fair market value of investments during fiscal year 2022.

Expenses for business-type activities increased by $835,201, or 1%. The increase was due to an increase in cost of services and supplies. The following chart illustrates the relationship between expenses and program revenues for business-type activities:

Revenues – The following chart visually illustrates the City's revenue by sources for business-type activities:





FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental funds

The focus of the City of Allen's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the governmental funds reported a combined ending fund balance of $130,731,687, a decrease of $12,844,229 or (9%) in comparison with the prior fiscal year. Approximately 22%, or $28,615,271, constitutes unassigned fund balances, which are available for spending at the government's discretion. The remaining fund balances are classified as non-spendable, restricted, or assigned to indicate that they are not available for new spending allocation. The non-spendable portion includes $2,639 related to prepaid items and $26,789 associated with inventories. The restricted portion includes: debt service ($920,207), capital expenditures ($49,769,921), tourism ($2,476,625), asset forfeiture ($94,754), state and federal grants ($238,514), park acquisition and development ($1,700,193), tax increment financing agreements ($9,506,301), court technology ($118,653), juvenile case manager ($1,610), PEG fees ($1,067,468), radio system ($445,621), court security ($4,991), public safety and library enhancements ($397,349), and cemetery trust ($64,234). In addition, $35,208,805 was assigned to capital expenditures and $71,742 to other purposes.

General Fund. The General Fund is the chief operating fund of the City. As of the end of the current fiscal year, the total unassigned fund balance was $28,615,271, while the total fund balance was $28,779,924. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 25% of total General Fund expenditures.

The original budget included a planned balanced budget with no change in fund balance. However, the General Fund balance increased by $1,015,631 or 4% during the current fiscal year. This was the result of achieving actual expenditures below budget and reductions in general government expenditures.

Debt Service Fund. The Debt Service Fund balance of $920,207, all of which is restricted for the payment of debt, represents an increase from the prior year of $1,828 (less than 1%). The City's annual debt service requirements outweighed the higher property valuation.

Capital Projects Fund. The General Capital Projects Fund provides information on cash financed capital projects and had an ending fund balance of $35,209,556 at September 30, 2022, a decrease of $7,633,826. Revenues and other financing sources totaled $3,958,460, which includes $2,950,000 from other funds to cash finance capital projects, and $805,533 in charges for median and streets improvements. Total expenditures and other uses of $11,592,286 consisted primarily of $2,639,430 for the Credit Union of Texas Event Center sports lighting and $1,867,638 Alma/Ridgeview Drive construction.

Grants Fund. The Grants Fund accounts for monies received from other governmental agencies that have restricted legal requirements and multi-year budgets and had an ending fund balance of $238,514, a decrease of $22,943 (9%) from the prior year. In fiscal year 2022, the Grants Fund had remaining funds from the 2021 advanced funding of the COVID-19 Emergency Rental Assistance Program (ERAP). ERAP expenditures of $1,612,722 were recognized as revenue in fiscal year 2022 and the remaining balance of $545,677 will be returned to Collin County. The Grants Fund also received $2,680,796 advanced funding from the Shuttered Venue Operators Grant through the Small Business Administration which was recognized as revenue in fiscal year 2022. Advanced funding of $5,079,935 from the American Rescue Plan Act (ARPA) was received in fiscal year 2021 and an additional $5,079,935 was received in fiscal year 2022. There was $1,399,057 in ARPA expenditures during fiscal year 2022 and the remaining balance of $8,760,812 is recorded as unearned revenue.

General Obligation Bond Fund. The General Obligation Bond Fund had an ending fund balance of $49,769,921, which represents a decrease of $7,764,269 (13%) from the prior year. Expenditures totaled $32,706,880, which consisted mainly of $26,476,191 for the S. G. Terrell Community P&R Center, $570,000 for street and alleys improvements, $1,919,088 for citywide roof replacement and $1,729,157 for roadway improvements. Other financing sources consisted mainly of issuance of bonds totaling $23,000,000 and the related premium of $2,777,611.

Proprietary funds

The City's proprietary funds provide information like the presentation in the government-wide financial statements, but in more detail. As of September 30, 2022, the unrestricted net position for all enterprise funds were as follows: Water and Sewer, $62,781,335; Solid Waste, $2,782,907; Drainage, $1,016,255 and Golf Course, $2,439,517. The total change in net position for these funds was an increase of $8,767,895; a decrease of $715,306; an increase of $242,553; and an increase of $737,409, respectively.

The Water and Sewer Fund had an increase in net position as a result of an increase in water and sewer rates. The Solid Waste Fund had a decrease in net position due to a reduction in garbage collection fees. The Drainage Fund had an increase in net position due to due to an increase in inspection fees and a decrease in operating expenses. The Golf Course Fund had an increase in net position due to the increase in driving range and green fee revenues.

General Fund Budgetary Highlights

During April and May each year, all accounts are evaluated to determine whether they are in line with the original budgets. Accounts that are under or over budget are revised to meet year-end final estimates. New projects are not added to the year-end estimate; only the cost of maintaining the current base operation is revised as needed. As is customary, during fiscal year ended September 30, 2022, the City Council amended the budget for the General Fund one time.

Adjustments made during fiscal year 2022 increased the original revenue budget by $8,982,775 and increased the expenditure budget by $6,803,649. Due to actual expenditures being $5,203,753 less than the revised budget and revenues under the revised budget of $2,505,466, the City was able to increase the unassigned General Fund balance by $1,132,047, after net transfers. The unassigned fund balance of $28,687,013 is equal to 25%, or 90 days of next year's operating budget.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022, was $613,212,021 (net of accumulated depreciation). Investment in capital assets includes land and improvements, buildings, vehicles, machinery and equipment, park land and facilities, roads and bridges. About 79% of the capital assets are governmental and 21% represent business-type activities. There was an increase of 5% in the investment in capital assets for the current fiscal year.

Table 3
Capital Assets at Year-end, Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	$ 164,253,182	$ 156,158,009	$ 4,091,626	$ 4,091,626	$ 168,344,808	$ 160,249,635
Buildings	67,379,851	70,134,557		-	67,379,851	70,134,557
Towers, tanks, and pump stations	-	-	107,329,605	111,587,595	107,329,605	111,587,595
Other Improvements	191,827,851	197,377,984	936,316	985,301	192,764,167	198,363,285
Furniture and fixtures	150,386	209,569		-	150,386	209,569
Vehicles	5,374,307	7,197,873	463,267	591,232	5,837,574	7,789,105
Machinery and equipment	6,807,609	2,485,312	1,381,460	915,980	8,189,069	3,401,292
Construction in progress	46,039,471	22,059,753	17,177,090	8,542,494	63,216,561	30,602,247
Total	$ 481,832,657	$ 455,623,057	$131,379,364	$ 126,714,228	$ 613,212,021	$ 582,337,285

The major governmental-type capital improvement projects and developer contributions during the current fiscal year included the following:

Developer Contributed Street, Alley, and Right of Way	$	11,162,094
S. G. Terrell Community P&R Center		26,625,288
Allen Event Center Sports Lightings & Audio/Visual		2,639,430
Fire Station #6		1,547,760
Street construction:		
Alma/Ridgeview Roadway Improvements	$	2,812,321
Allen Drive Gateway		1,968,022
Street and Alleys Improvements		967,563

Business-type capital improvement projects and developer contributions during the current fiscal year include the following:

Developer Contributed Water Mains and Sewer Lines	$	1,577,824
Windridge 1&2 Water and Sewer Rehabilitation		5,082,311
24" Waterline Sloan Creek		1,464,124
Advanced Meter Infrastructure		815,363

Additional information on the City's capital assets can be found in Note 4 of this report.

DEBT ADMINISTRATION

As shown in Table 4, the City's total outstanding debt of the primary government at September 30, 2022, was $187,276,115. Of this total, $153,972,967 (82%) was associated with governmental activities and $33,303,148 (18%) was business-type activities. Total gross bonded debt and a note payable accounted for $163,843,749, which include $95,885,000 of General Obligation (G.O.) bonds and $21,870,000 of Certificates of Obligation backed by the full faith and credit of the primary government; $27,400,000 secured solely by water and sewer revenues; notes payable balance of $2,200,000 and $16,488,749 in net premiums and discounts from bond issuances. Other long-term debt relates to accrued compensated absences, net pension liability, net OPEB liability, and capital leases liability.

Outstanding debts associated with the component units totaled $31,149,477. Out of which, $30,785,000 are secured by future sales tax revenue; and $364,477 are premiums and discounts from bond issuances.

During fiscal year 2022, the City issued General Obligation Bonds in the amount of $23,000,000.

The revenue bond debt for both component units relates to debt issued to support public infrastructure improvements, land acquisition, and construction of the Allen Event Center. Total debt of the Component Units decreased by 12%. Total debt for the Allen Economic Development Corporation decreased by 18%, and for the Allen Community Development Corporation, total debt decreased by 8%.

Table 4
Outstanding Debt at Year-end
Bonds and Other Long-Term Liabilities

	Governmental Activities		Business-type Activities		Total Primary Government		Component Units	
	2022	2021	2022	2021	2022	2021	2022	2021
Gross bonded debt								
General obligation bonds	$ 95,885,000	$ 82,380,000	$ -	$ -	$ 95,885,000	$ 82,380,000	$ -	$ -
Certificates of obligation	21,870,000	22,945,000	-	-	21,870,000	22,945,000	-	-
Revenue bonds payable	-	-	27,400,000	28,955,000	27,400,000	28,955,000	-	-
Premiums and discounts	13,419,341	15,370,849	3,069,408	3,480,106	16,488,749	18,850,955	364,477	727,972
Sales tax revenue bonds	-	-	-	-	-	-	30,785,000	33,845,000
Tax notes	2,200,000	3,580,000	-	-	2,200,000	3,580,000	-	666,522
Total gross bonded debt	133,374,341	124,275,849	30,469,408	32,435,106	163,843,749	156,710,955	31,149,477	35,239,494
Other long-term debt								
Compensated absences	8,021,323	8,228,298	801,496	836,174	8,822,819	9,064,472	-	-
Net pension liability	9,390,772	19,586,451	1,302,113	2,435,432	10,692,885	22,021,883	-	-
Net OPEB liability	2,165,664	1,924,927	259,532	232,784	2,425,196	2,157,711	-	-
Right-to-use leases	1,020,867	-	279,154	-	1,300,021	-	-	-
Financed purchases	-	102,538	191,445	332,535	191,445	435,073	-	-
Total other long-term debt	20,598,626	29,842,214	2,833,740	3,836,925	23,432,366	33,679,139	-	-
Total	$ 153,972,967	$ 154,118,063	$ 33,303,148	$ 36,272,031	$ 187,276,115	$ 190,390,094	$ 31,149,477	$ 35,239,494

The underlying credit ratings from both Moody's Investors Service and Standard and Poor's for the City's General Obligation Bonds, Certificates of Obligation, Waterworks and Sewer System Revenue Bonds, Community Development Corporation's Sales Tax Bonds, and Economic Development Sales Tax Revenue Bonds are shown below in Table 5. Additional information on the City's long-term debt can be found in Note 5 to the basic financial statements.

Table 5
Bond Ratings

	Moody's Investors Service	Standard & Poor's
General Obligation Bonds	Aaa	AAA
Certificates of Obligation	Aaa	AAA
Water & Sewer Revenue Bonds	Aa2	AAA
CDC Sales Tax Revenue Bonds	Aa2	
EDC Sales Tax Revenue Bonds	Aa2	

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Allen, Texas continues to be financially strong. Although the economy is the primary factor, the City's elected and appointed officials considered many factors when setting the fiscal year 2023budget, tax rates and fees that will be charged for the business-type activities. The priority for fiscal year 2023 continues to be maintaining quality service while observing prudent spending practices.

Highlights of the 2023 budget include:

- Balanced budget, with total revenues equal to or greater than total expenditures
- Property tax rate reduced by 4.88 cents to $0.4212 per $100 assessed value
- Total City budget $303 million
- General Fund budget $118 million
- Sustained funding for equipment and facilities improvements
- Proposed general obligation bonds issues of about $14.2 million, with $4.9 million for streets and drainage and $6 million for the Parks, and $3.3 million for Public Safety.
- Additional 78.48 full-time equivalent (FTE) positions (58 for recreational employees).

Request for Information

The financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, please contact the Finance Department at 305 Century Parkway, Allen, Texas, 75013, or call (214) 509-4626.

Basic Financial Statements

CITY OF ALLEN

City of Allen, Texas **Exhibit 1**

Statement of Net Position
September 30, 2022

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents	$ 75,170,752	$ 26,638,083	$ 101,808,835	$ 29,935,091
Investments	102,979,067	33,180,920	136,159,987	29,020,307
Receivables (net of allowance for uncollectibles)	9,919,516	12,532,273	22,451,789	5,145,887
Internal balances	(1,576,984)	1,576,984	-	-
Prepaid items and other assets	492,151	10,594,325	11,086,476	-
Net OPEB asset	951,194	-	951,194	-
Inventories	26,789	-	26,789	-
Restricted cash and cash equivalents	-	3,142,683	3,142,683	-
Capital assets:				
Non-depreciable	210,292,653	21,268,716	231,561,369	17,192,450
Depreciable (net of depreciation/amortization)	271,540,004	110,110,648	381,650,652	41,758,481
TOTAL ASSETS	669,795,142	219,044,632	888,839,774	123,052,216
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	2,703	25,587	28,290	510,177
Deferred outflows of resources - OPEB	657,448	65,831	723,279	-
Deferred outflows of resources - pension	9,381,550	1,160,767	10,542,317	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	10,041,701	1,252,185	11,293,886	510,177
LIABILITIES				
Accounts payable	8,753,577	3,009,658	11,763,235	706,730
Accrued liabilities	3,708,090	200,677	3,908,767	17,551
Accrued interest payable	766,143	336,957	1,103,100	77,696
Customer deposits	-	1,223,960	1,223,960	-
Unearned revenue	10,360,635	-	10,360,635	-
Retainage payable	1,732,396	319,097	2,051,493	70,376
Non-current liabilities:				
Due within one year	20,593,881	2,808,727	23,402,608	3,277,799
Due in more than one year	133,379,086	30,494,421	163,873,507	27,871,678
TOTAL LIABILITIES	179,293,808	38,393,497	217,687,305	32,021,830
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - OPEB	568,518	34,394	602,912	-
Deferred inflows of resources - pension	14,109,555	1,667,046	15,776,601	-
TOTAL DEFERRED INFLOWS OF RESOURCES	14,678,073	1,701,440	16,379,513	-
NET POSITION				
Net investment in capital assets	392,949,598	108,374,156	501,323,754	35,948,162
Restricted for:				
Debt service	192,791	1,230,726	1,423,517	1,245,087
Tourism	2,476,625	-	2,476,625	-
Park acquisition and development	1,700,193	-	1,700,193	-
State and federal grants	94,754	-	94,754	-
Tax increment financing	9,506,301	-	9,506,301	-
Other purposes	2,130,446	-	2,130,446	-
Unrestricted	76,814,254	70,596,998	147,411,252	54,347,314
TOTAL NET POSITION	$ 485,864,962	$ 180,201,880	$ 666,066,842	$ 91,540,563

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas
Statement of Activities
For the Year Ended September 30, 2022

Functions/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	26,469,412	$ 570,560	$ -	$ -
Public safety	63,891,672	2,221,519	1,685	-
Public works	9,148,396	484,796	-	3,066,921
Culture and recreation	36,053,830	7,154,042	3,222,212	-
Community development	5,587,202	2,828,805	2,253,531	8,095,173
Interest on long-term debt	2,312,561	-	-	-
Total governmental activities	143,463,073	13,259,722	5,477,428	11,162,094
Business-type activities:				
Water and sewer	46,917,817	57,519,014	-	4,072,343
Solid waste	7,088,901	7,278,382	-	-
Drainage	1,349,306	1,984,067	-	-
Golf course	3,800,645	4,502,056	-	-
Total business-type activities	59,156,669	71,283,519	-	4,072,343
TOTAL PRIMARY GOVERNMENT	$ 202,619,742	$ 84,543,241	$ 5,477,428	$ 15,234,437
COMPONENT UNITS:				
Allen Economic Development Corporation	$ 5,742,913	$ -	$ -	$ -
Allen Community Development Corporation	9,110,109	-	-	-
TOTAL COMPONENT UNITS	$ 14,853,022	$ -	$ -	$ -

General revenues:	
Taxes:	
Property taxes	
Sales taxes	
Franchise taxes	
Hotel motel taxes	
Other taxes	
Investment earnings (loss)	
Gain on sale of assets	
Miscellaneous	
Transfers	
Total general revenues and transfers	
CHANGE IN NET POSITION	
NET POSITION, beginning of year	
NET POSITION, end of year	

The Notes to Financial Statements are an integral part of this statement.

Exhibit 2

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business - Type Activities	TOTAL	COMPONENT UNITS
$ (25,898,852)	$ -	$ (25,898,852)	$ -
(61,668,468)	-	(61,668,468)	-
(5,596,679)	-	(5,596,679)	-
(25,677,576)	-	(25,677,576)	-
7,590,307	-	7,590,307	-
(2,312,561)	-	(2,312,561)	-
(113,563,829)	-	(113,563,829)	-
-	14,673,540	14,673,540	-
-	189,481	189,481	-
-	634,761	634,761	-
-	701,411	701,411	-
-	16,199,193	16,199,193	-
$ (113,563,829)	$ 16,199,193	$ (97,364,636)	$ -
$ -	$ -	$ -	$ (5,742,913)
-	-	-	(9,110,109)
$ -	$ -	$ -	$ (14,853,022)
$ 74,289,475	$ -	$ 74,289,475	$ -
27,609,918	-	27,609,918	27,118,734
7,481,353	-	7,481,353	-
2,074,533	-	2,074,533	-
1,425,226	-	1,425,226	-
(4,921,824)	(1,830,191)	(6,752,015)	(721,684)
291,333	-	291,333	5,572,117
8,689,016	1,147,237	9,836,253	136,408
6,365,977	(6,365,977)	-	-
123,305,007	(7,048,931)	116,256,076	32,105,575
9,741,178	9,150,262	18,891,440	17,252,553
476,123,784	171,051,618	647,175,402	74,288,010
$ 485,864,962	$ 180,201,880	$ 666,066,842	$ 91,540,563

City of Allen, Texas
Balance Sheet
Governmental Funds
September 30, 2022

	General	Debt Service	General Capital Projects
ASSETS			
Cash and cash equivalents	$ 1,195,024	$ 924,885	$ 6,338,357
Investments	26,813,425	-	29,080,761
Receivables, net of allowances for uncollectibles:			
Ad valorem taxes	146,499	38,785	-
Sales taxes	5,025,306	-	-
Accounts receivable	-	-	-
Accrued interest	64,176	-	154,175
Other	3,537,082	-	420,043
Inventories	26,789	-	-
Prepaid items	1,888	-	751
TOTAL ASSETS	$ 36,810,189	$ 963,670	$ 35,994,087
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 3,850,269	4,736	$ 455,168
Accrued liabilities	2,213,120	-	240,480
Unearned revenue	986,248	-	-
Retainage payable	63,372	-	88,883
TOTAL LIABILITIES	7,113,009	4,736	784,531
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	145,439	38,727	-
Unavailable revenue - charges for services	702,051	-	-
Unavailable revenue - miscellaneous	8,689	-	-
Unavailable revenue - interest	15,691	-	-
Unavailable revenue - fines	45,386	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	917,256	38,727	-
FUND BALANCES			
Nonspendable			
Prepaid items	1,888	-	751
Inventories	26,789	-	-
Restricted			
Debt service	-	920,207	-
Capital expenditures	-	-	-
Tourism	-	-	-
Asset forfeiture	-	-	-
State and federal grants	-	-	-
Park acquisition and development	-	-	-
Tax increment financing agreement	-	-	-
Court technology	-	-	-
Juvenile case manager	-	-	-
PEG fees	-	-	-
Radio system	-	-	-
Court security	-	-	-
Public safety and library enhancements	-	-	-
Cemetery trust	64,234	-	-
Assigned			
Capital expenditures	-	-	35,208,805
Other purposes	71,742	-	-
Unassigned	28,615,271	-	-
TOTAL FUND BALANCES	28,779,924	920,207	35,209,556
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 36,810,189	$ 963,670	$ 35,994,087

The Notes to Financial Statements are an integral part of this statement.

Exhibit 3

Grants	General Obligation Bond	Other Governmental Funds	Total Governmental Funds
$ 9,936,738	$ 32,927,668	$ 7,579,597	$ 58,902,269
-	21,288,682	8,121,340	85,304,208
-	-	-	185,284
-	-	-	5,025,306
88,830	-	231,870	320,700
-	59,011	44,087	321,449
-	-	-	3,957,125
-	-	-	26,789
406,958	-	-	409,597
$ 10,432,526	$ 54,275,361	$ 15,976,894	$ 154,452,727
$ 783,069	$ 2,961,855	$ 43,766	$ 8,098,863
-	-	119,563	2,573,163
9,374,387	-	-	10,360,635
36,556	1,543,585	-	1,732,396
10,194,012	4,505,440	163,329	22,765,057
-	-	-	184,166
-	-	-	702,051
-	-	-	8,689
-	-	-	15,691
-	-	-	45,386
-	-	-	955,983
-	-	-	2,639
-	-	-	26,789
-	-	-	920,207
-	49,769,921	-	49,769,921
-	-	2,476,625	2,476,625
-	-	94,754	94,754
238,514	-	-	238,514
-	-	1,700,193	1,700,193
-	-	9,506,301	9,506,301
-	-	118,653	118,653
-	-	1,610	1,610
-	-	1,067,468	1,067,468
-	-	445,621	445,621
-	-	4,991	4,991
-	-	397,349	397,349
-	-	-	64,234
-	-	-	35,208,805
-	-	-	71,742
-	-	-	28,615,271
238,514	49,769,921	15,813,565	130,731,687
$ 10,432,526	$ 54,275,361	$ 15,976,894	$ 154,452,727

City of Allen, Texas **Exhibit 4**

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2022

Total fund balance of governmental funds balance sheet			$ 130,731,687
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.			481,832,657
Funds comprising the net OPEB asset are not current financial resources and therefore are not reported in the governmental funds balance sheet.			951,194
The following deferred outflows of resources and deferred inflows of resources are not reported in governmental funds:			
Deferred charges on refunding	$ 2,703		
Deferred outflows of resources - OPEB	657,448		
Deferred outflows of resources - pension	9,381,550		
Deferred inflows of resources - OPEB	(568,518)		
Deferred inflows of resources - pension	(14,109,555)		(4,636,372)
Interest payable on long-term debt does not require current financial resources, therefore interest payable is not reported as a liability on the governmental funds balance sheet.			(766,143)
Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the internal service funds ($39,813,307) are net of the amount allocated to business-type activities ($1,576,984) and to capital assets ($7,467,400).			30,768,923
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.			955,983
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the fund financial statements.			
Long-term liabilities consist of:			
General obligation bonds	$ (95,885,000)		
Certificates of obligation	(21,870,000)		
Tax notes	(2,200,000)		
Right-to-use leases	(1,020,867)		
Premiums/discounts	(13,419,341)		
Compensated absences	(8,021,323)		
Net OPEB liability	(2,165,664)		
Net pension liability	(9,390,772)		(153,972,967)
Net position of governmental activities			$ 485,864,962

The Notes to Financial Statements are an integral part of this statement.

CITY OF ALLEN

City of Allen, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2022

	General	Debt Service	General Capital Projects
REVENUES			
Ad valorem taxes, penalties and interest	$ 56,716,915	$ 15,557,736	$ -
Municipal sales tax	27,386,273	-	-
Franchise taxes	7,342,205	-	-
Licenses, permits and fees	2,810,280	-	-
Charges for services	9,531,473	-	1,428,280
Fines	1,313,927	-	-
Gifts and contributions	2,917,033	-	-
Hotel / motel fees	-	-	-
Intergovernmental	2,934,604	-	769,934
Investment earnings (loss)	(1,407,248)	54,610	(1,455,693)
Miscellaneous	2,841,103	-	265,939
Total revenues	112,386,565	15,612,346	1,008,460
EXPENDITURES			
Current			
General government	21,986,036	-	3,257,907
Public safety	51,483,662	-	-
Public works	6,532,462	-	1,889,075
Culture and recreation	28,059,988	-	635
Community development	3,736,000	-	71,968
Capital outlay	615,725	-	6,372,701
Debt service:			
Principal retirement	454,530	12,052,538	-
Interest and fiscal charges	37,744	4,374,306	-
Total expenditures	112,906,147	16,426,844	11,592,286
Excess (deficiency) of revenues over (under) expenditures	(519,582)	(814,498)	(10,583,826)
OTHER FINANCING SOURCES (USES)			
Issuance of bonds	-	-	-
Premium on bonds issued	-	-	-
Right-to-use leases	318,698	-	-
Transfers in	6,095,044	816,326	2,950,000
Transfers out	(4,934,474)	-	-
Proceeds from sale of capital assets	55,945	-	-
Total other financing sources (uses)	1,535,213	816,326	2,950,000
NET CHANGE IN FUND BALANCES	1,015,631	1,828	(7,633,826)
FUND BALANCES, BEGINNING OF YEAR	27,764,293	918,379	42,843,382
FUND BALANCES, END OF YEAR	$ 28,779,924	$ 920,207	$ 35,209,556

The Notes to Financial Statements are an integral part of this statement.

Exhibit 5

Grants	General Obligation Bond	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 2,025,808	$ 74,300,459
-	-	223,645	27,609,918
-	-	139,148	7,481,353
-	-	291,540	3,101,820
-	-	-	10,959,753
-	-	111,299	1,425,226
-	-	-	2,917,033
-	-	2,074,533	2,074,533
3,649,774	-	157,185	7,511,497
(179)	(549,609)	(276,237)	(3,634,356)
-	-	41,485	3,148,527
3,649,595	(549,609)	4,788,406	136,895,763
-	273,991	735,063	26,252,997
12,669	-	111,252	51,607,583
2,584,498	3,550,898	-	14,556,933
30,539	435,974	2,024,011	30,551,147
-	-	-	3,807,968
1,049,364	28,446,017	265,115	36,748,922
-	-	-	12,507,068
-	-	-	4,412,050
3,677,070	32,706,880	3,135,441	180,444,668
(27,475)	(33,256,489)	1,652,965	(43,548,905)
-	23,000,000	-	23,000,000
-	2,777,611	-	2,777,611
-	-	-	318,698
4,532	-	-	9,865,902
-	(285,391)	(94,818)	(5,314,683)
-	-	1,203	57,148
4,532	25,492,220	(93,615)	30,704,676
(22,943)	(7,764,269)	1,559,350	(12,844,229)
261,457	57,534,190	14,254,215	143,575,916
$ 238,514	$ 49,769,921	$ 15,813,565	$ 130,731,687

City of Allen, Texas **Exhibit 6**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended September 30, 2022

Net change in fund balances - total governmental funds		$ (12,844,229)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period.		36,748,922
Governmental funds report gain (loss) on disposal of capital assets. However, in the statement of activities the gain (loss) is reported.		(6,864)
Governmental funds do not recognize contributed capital assets. However, in the statement of activities the acquisition value of those assets is recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.		11,162,094
Depreciation/amortization expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation/amortization expense is not reported as expenditures in the governmental funds.		(22,394,653)
Current year changes in the net other post employment benefit asset are not current financial resources and therefore are not reported in the governmental funds.		71,121
The proceeds from issuance of long-term debt provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued. However, these amounts are amortized in the government-wide financial statements:		
Bonds issued	(23,000,000)	
Premium on bonds issued	(2,777,611)	
Issuance of right-to-use lease	(318,698)	
Bond and lease principal retirement	12,507,068	
Amortization of bond premiums	4,729,119	
Deferred charges on refunding changes	(13,518)	(8,873,640)
Current year changes for compensated absences, net pension liability, net OPEB liability, deferred inflows/outflows related to pensions, and OPEB do not require the use of current financial resources and, therefore, are not reported in governmental funds.		4,424,396
Current year changes in accrued interest payable do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(220,470)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net operating and non-operating income and transfers of the internal service funds is reported with governmental activities net of amounts allocated to business-type activities.		1,894,594
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		(220,093)
Change in net position of governmental activities		$ 9,741,178

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas

Exhibit 7

Statement of Net Position
Proprietary Funds
September 30, 2022

	Business-type Activities Enterprise Funds					Governmental Activities
	Water and Sewer	Solid Waste	Drainage	Golf Course	Total	Internal Service Funds
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	$ 22,172,198	$ 1,331,682	$ 1,013,099	$ 2,121,104	$ 26,638,083	$ 16,268,483
Investments	31,092,564	872,950	-	1,215,406	33,180,920	17,674,859
Receivables, net of allowance for uncollectibles:						
Accounts	8,771,261	768,633	236,304	-	9,776,198	16,711
Accrued interest	157,332	4,849	-	10,328	172,509	92,941
Other	2,040,368	521,569	4,200	17,429	2,583,566	-
Inventories	-	-	-	-	-	82,554
Restricted cash and cash equivalents	3,142,683	-	-	-	3,142,683	-
Total current assets	67,376,406	3,499,683	1,253,603	3,364,267	75,493,959	34,135,548
NONCURRENT ASSETS						
CAPITAL ASSETS						
Land	4,091,626	-	-	-	4,091,626	-
Construction in progress	17,177,090	-	-	-	17,177,090	1,596,139
Other improvements	-	-	1,230,546	-	1,230,546	-
Towers, tanks, and pump stations	217,485,078	-	-	-	217,485,078	-
Vehicles	817,002	140,440	151,554	-	1,108,996	18,117,806
Machinery and equipment	2,997,356	-	486,135	2,001,628	5,485,119	5,683,003
Total capital assets	242,568,152	140,440	1,868,235	2,001,628	246,578,455	25,396,948
Less: accumulated depreciation/amortization	(112,826,704)	(91,286)	(726,698)	(1,554,403)	(115,199,091)	(17,929,548)
Capital assets, net of accumulated depreciation/amortization	129,741,448	49,154	1,141,537	447,225	131,379,364	7,467,400
PREPAID ASSETS						
Prepaid items	10,594,325	-	-	-	10,594,325	-
Total noncurrent assets	140,335,773	49,154	1,141,537	447,225	141,973,689	7,467,400
TOTAL ASSETS	207,712,179	3,548,837	2,395,140	3,811,492	217,467,648	41,602,948
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charges on refunding	25,587	-	-	-	25,587	-
Deferred outflows of resources - OPEB	42,488	5,462	5,329	12,552	65,831	-
Deferred outflows of resources - pension	759,442	89,399	87,398	224,528	1,160,767	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	827,517	94,861	92,727	237,080	1,252,185	-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION						
CURRENT LIABILITIES						
Accounts payable	2,346,705	401,945	44,500	216,508	3,009,658	654,714
Accrued liabilities	97,673	64,177	8,586	30,241	200,677	74
Retainage payable	319,097	-	-	-	319,097	-
Accrued compensated absences - current	321,127	72,948	32,618	177,922	604,615	-
Incurred but not reported claims	-	-	-	-	-	1,134,853
Payable from restricted assets:						
Revenue bonds payable - current	1,898,399	-	-	-	1,898,399	-
Finance Purchases - current	-	-	-	143,931	143,931	
Right-to-use leases - current	-	-	-	161,782	161,782	-
Accrued interest payable	336,957	-	-	-	336,957	-
Customer deposits payable	1,166,304	-	-	57,656	1,223,960	-
Total current liabilities	6,486,262	539,070	85,704	788,040	7,899,076	1,789,641
NONCURRENT LIABILITIES						
Revenue bonds payable	28,571,009	-	-	-	28,571,009	-
Financed purchases	-	-	-	47,514	47,514	
Right-to-use leases	-	-	-	117,372	117,372	-
Net OPEB liability	167,548	21,204	19,780	51,000	259,532	-
Net pension liability	892,194	81,964	78,919	249,036	1,302,113	-
Accrued compensated absences	104,569	23,754	10,621	57,937	196,881	-
Total noncurrent liabilities	29,735,320	126,922	109,320	522,859	30,494,421	-
TOTAL LIABILITIES	36,221,582	665,992	195,024	1,310,899	38,393,497	1,789,641
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources - pension	1,077,043	142,857	132,246	314,900	1,667,046	-
Deferred inflows of resources - OPEB	22,171	2,788	2,805	6,630	34,394	-
TOTAL DEFERRED INFLOWS OF RESOURCES	1,099,214	145,645	135,051	321,530	1,701,440	-
NET POSITION						
Net investment in capital assets	107,206,839	49,154	1,141,537	(23,374)	108,374,156	7,467,400
Restricted for revenue bond principal and interest	1,230,726	-	-	-	1,230,726	-
Unrestricted	62,781,335	2,782,907	1,016,255	2,439,517	69,020,014	32,345,907
TOTAL NET POSITION	$ 171,218,900	$ 2,832,061	$ 2,157,792	$ 2,416,143	$ 178,624,896	$ 39,813,307

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas **Exhibit 8**

Reconciliation of the Statement of Net Position
of Proprietary Funds to the
Government – Wide Statement of Net Position
September 30, 2022

Amounts reported for business-type activities in the statement of net position are different because:	
Total net position per statement of net position	$ 178,624,896
Internal service funds are used by management to charge the costs of replacing machinery and equipment, fleet management, workers compensation, property liability loss, medical and dental insurance, and health claims to individual funds.	
The assets and liabilities of internal service funds are included in the governmental activities in the government-wide statement of net position. The amount shown represents the net receivable from internal service funds allocated to business-type activities since the adoption of GASB 34.	1,576,984
Total net position of business-type activities	$ 180,201,880

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas **Exhibit 9**

Statement of Revenues, Expenses
and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2022

	Business-type Activities Enterprise Funds					Governmental Activities
	Water and Sewer	Solid Waste	Drainage	Golf Course	Total	Internal Service Funds
OPERATING REVENUES						
Charges for sales and services:						
Water sales	$ 32,986,635	$ -	$ -	$ -	$ 32,986,635	$ -
Sewer charges	23,782,267	-	-	-	23,782,267	-
Connection fees	80,401	-	-	-	80,401	-
Garbage collections	-	7,278,382	-	-	7,278,382	-
Service charges	669,711	-	171,800	4,502,056	5,343,567	16,971,122
Drainage fees	-	-	1,812,267	-	1,812,267	-
Miscellaneous	1,030,145	36,500	25,328	55,264	1,147,237	382,942
Total operating revenues	58,549,159	7,314,882	2,009,395	4,557,320	72,430,756	17,354,064
OPERATING EXPENSES						
Personnel services	5,410,351	681,525	597,523	1,747,739	8,437,138	492,001
Contractual services	32,566,425	6,264,875	164,756	1,198,867	40,194,923	12,618,132
Maintenance	754,408	12,594	241,930	222,099	1,231,031	540,234
Supplies	504,821	41,943	59,834	278,003	884,601	-
Depreciation and amortization	6,134,294	14,044	105,063	319,573	6,572,974	2,456,787
Other	999,642	73,920	180,200	19,745	1,273,507	-
Total operating expenses	46,369,941	7,088,901	1,349,306	3,786,026	58,594,174	16,107,154
OPERATING INCOME	12,179,218	225,981	660,089	771,294	13,836,582	1,246,910
NON-OPERATING REVENUES (EXPENSES)						
Investment earnings (loss)	(1,772,268)	(46,168)	7,511	(19,266)	(1,830,191)	(1,290,411)
Interest expense	(665,587)	-	-	(14,619)	(680,206)	-
Gain on disposal of capital assets	-	-	-	-	-	241,048
Total non-operating revenues (expenses)	(2,437,855)	(46,168)	7,511	(33,885)	(2,510,397)	(1,049,363)
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	9,741,363	179,813	667,600	737,409	11,326,185	197,547
CAPITAL CONTRIBUTIONS AND TRANSFERS						
Development fees	2,494,519	-	-	-	2,494,519	-
Capital contributions	1,577,824	-	-	-	1,577,824	-
Transfers in	50,811	-	-	-	50,811	1,814,758
Transfers out	(5,096,622)	(895,119)	(425,047)	-	(6,416,788)	-
Total capital contributions and transfers	(973,468)	(895,119)	(425,047)	-	(2,293,634)	1,814,758
CHANGE IN NET POSITION	8,767,895	(715,306)	242,553	737,409	9,032,551	2,012,305
NET POSITION, BEGINNING OF YEAR	162,451,005	3,547,367	1,915,239	1,678,734	169,592,345	37,801,002
NET POSITION, END OF YEAR	$ 171,218,900	$ 2,832,061	$ 2,157,792	$ 2,416,143	$ 178,624,896	$ 39,813,307

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas **Exhibit 10**

Reconciliation of the Statement of Revenues, Expenses,
and Changes in Net Position of Proprietary Funds
to the Statement of Activities
For the Year Ended September 30, 2022

Amounts reported for business-type activities in the statement of activities are different because:	
Net change in fund net position- total proprietary funds	$ 9,032,551
Internal service funds are used by management to charge the costs of replacing machinery and equipment, fleet management, workers compensation, property liability loss, medical and dental insurance, and health claims to individual funds.	
The net expenses of certain activities of internal service funds is allocated to business-type activities.	117,711
Change in net position of business-type activities	$ 9,150,262

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas

Exhibit 11

Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2022

	Business-type Activities Enterprise Funds					Governmental Activities Internal Service Funds
	Water and Sewer	Solid Waste	Drainage	Golf Course	Total	
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	$ 56,544,655	$ 6,924,006	$ 2,010,801	$ 4,573,090	$ 70,052,552	$ -
Cash received from transactions with other funds	-	-	-	-	-	17,367,867
Cash paid to employees for services	(5,890,071)	(763,262)	(653,384)	(1,881,296)	(9,188,013)	(508,141)
Cash paid for goods and services	(43,490,181)	(6,228,730)	(648,726)	(1,633,232)	(52,000,869)	(3,135,504)
Cash paid for claims	-	-	-	-	-	(9,653,313)
Net cash provided by (used in) operating activities	7,164,403	(67,986)	708,691	1,058,562	8,863,670	4,070,909
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Transfers in from other funds	50,811	-	-	-	50,811	1,814,758
Transfers out to other funds	(5,096,622)	(895,119)	(425,047)	-	(6,416,788)	-
Net cash provided by (used in) non-capital financing activities	(5,045,811)	(895,119)	(425,047)	-	(6,365,977)	1,814,758
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Principal paid on revenue bond maturities	(1,555,000)	-	-	-	(1,555,000)	-
Interest and fees paid on long-term debt	(1,044,535)	-	-	(14,620)	(1,059,155)	-
Acquisition and construction of capital assets	(9,124,641)	-	(86,604)	-	(9,211,245)	(2,000,189)
Proceeds from sale of capital assets	-	-	-	-	-	241,048
Financed purchases payments	-	-	-	(159,929)	(159,929)	
Right-to-use lease principal payments	-	-	-	(151,048)	(151,048)	-
Contributions from developers	2,494,519	-	-	-	2,494,519	-
Net cash used in capital and related financing activities	(9,229,657)	-	(86,604)	(325,597)	(9,641,858)	(1,759,141)
CASH FLOWS FROM INVESTING ACTIVITIES						
(Purchases) sales of investment securities	(6,882,566)	1,119,958	500,085	(1,215,406)	(6,477,929)	1,406,132
Interest on investments	280,202	(42,912)	10,070	(29,594)	217,766	(1,305,750)
Net cash provided by (used in) investing activities	(6,602,364)	1,077,046	510,155	(1,245,000)	(6,260,163)	100,382
NET CHANGE IN CASH AND CASH EQUIVALENTS	(13,713,429)	113,941	707,195	(512,035)	(13,404,328)	4,226,908
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	39,028,310	1,217,741	305,904	2,633,139	43,185,094	12,041,575
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 25,314,881	$ 1,331,682	$ 1,013,099	$ 2,121,104	$ 29,780,766	$ 16,268,483
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES						
Net operating income	$ 12,179,218	$ 225,981	$ 660,089	$ 771,294	$ 13,836,582	$ 1,246,910
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:						
Depreciation and amortization expense	6,134,294	14,044	105,063	319,573	6,572,974	2,456,787
Change in assets and liabilities:						
Accounts receivable	(825,160)	33,739	5,314	-	(786,107)	13,803
Other receivables	(2,032,426)	(390,876)	(3,908)	6,539	(2,420,671)	-
Prepaids	(9,638,015)	-	-	-	(9,638,015)	(82,554)
Inventories	90,598	-	-	-	90,598	-
Deferred outflows - pension	250,533	33,593	26,900	74,484	385,510	-
Deferred outflows - OPEB	3,224	432	347	957	4,960	-
Accounts payable	1,625,193	135,782	(2,006)	85,386	1,844,355	435,963
Retainage payable	80,683	-	-	-	80,683	-
Accrued liabilities	(151,703)	(24,285)	(20,757)	(51,447)	(248,192)	-
Net OPEB liability	17,387	2,327	1,872	5,162	26,748	-
Net pension liability	(736,515)	(98,757)	(79,081)	(218,966)	(1,133,319)	-
Compensated absences	(20,107)	(21,324)	(2,242)	8,995	(34,678)	-
Deposits	27,922	-	-	9,231	37,153	-
Deferred inflows - pension	162,319	21,765	17,428	48,257	249,769	-
Deferred inflows - OPEB	(3,042)	(407)	(328)	(903)	(4,680)	-
Total adjustments	(5,014,815)	(293,967)	48,602	287,268	(4,972,912)	2,823,999
Net cash provided by (used in) operating activities	$ 7,164,403	$ (67,986)	$ 708,691	$ 1,058,562	$ 8,863,670	$ 4,070,909
NON-CASH INVESTING ACTIVITIES:						
Change in the fair value of investments	$ (2,102,789)	$ (2,074)	$ (521)	$ (29,594)	$ (2,134,978)	$ (19,825)
NON-CASH FINANCING ACTIVITIES:						
Initiation of right-to-use leases	$ -	$ -	$ -	$ 18,839	$ 18,839	$ -
Initiation of financed purchases	$ -	$ -	$ -	$ 430,202	$ 430,202	$ -
Contributions of capital assets from developers	$ 1,577,824	$ -	$ -	$ -	$ 1,577,824	$ -
Reconciliation of total cash to the statement of net position						
Cash and cash equivalents - current	$ 22,172,198	$ 1,331,682	$ 1,013,099	$ 2,121,104	$ 26,638,083	$ 16,268,483
Restricted cash and cash equivalents	3,142,683	-	-	-	3,142,683	-
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 25,314,881	$ 1,331,682	$ 1,013,099	$ 2,121,104	$ 29,780,766	$ 16,268,483

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas **Exhibit 12**

Statement of Fiduciary Net Position
Fiduciary Fund
September 30, 2022

	Other Postemployment Benefits Trust Fund
ASSETS	
CURRENT ASSETS	
Cash and deposits	$ 53,738
Investments:	
Domestic Equities	240,435
Fixed Income	710,962
International Equity	50,646
Real Estate	10,449
Total current assets	1,066,230
TOTAL ASSETS	1,066,230
NET POSITION	
Restricted for postemployment benefits other than pensions	1,066,230
TOTAL NET POSITION	$ 1,066,230

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas **Exhibit 13**

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended September 30, 2022

	Other Postemployment Benefits Trust Fund
DEDUCTIONS	
Net decrease in fair value of investments	$ 179,315
Benefit payments	86,570
Administrative expense	7,943
TOTAL DEDUCTIONS	273,828
CHANGE IN NET POSITION	(273,828)
NET POSITION, BEGINNING OF YEAR	1,340,058
NET POSITION, END OF YEAR	$ 1,066,230

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas **Exhibit 14**

Statement of Net Position
Component Units
September 30, 2022

	Allen Economic Development Corporation	Allen Community Development Corporation	Totals
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 15,392,780	$ 14,542,311	$ 29,935,091
Investments	14,789,577	14,230,730	29,020,307
Sales tax receivable	2,473,496	2,473,496	4,946,992
Accounts receivable	-	23,141	23,141
Accrued interest receivable	116,111	59,643	175,754
Total current assets	32,771,964	31,329,321	64,101,285
NONCURRENT ASSETS			
CAPITAL ASSETS			
Land	12,785,529	2,239,201	15,024,730
Construction in progress	-	2,167,720	2,167,720
Buildings	1,004,091	36,202,922	37,207,013
Machinery & equipment	-	3,282,211	3,282,211
Vehicles	-	702,596	702,596
Improvements other than buildings	-	39,801,391	39,801,391
Total capital assets	13,789,620	84,396,041	98,185,661
Less: accumulated depreciation	(175,717)	(39,059,013)	(39,234,730)
Capital assets, net of accumulated depreciation	13,613,903	45,337,028	58,950,931
Total noncurrent assets	13,613,903	45,337,028	58,950,931
TOTAL ASSETS	46,385,867	76,666,349	123,052,216
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	267,137	243,040	510,177
TOTAL DEFERRED OUTFLOWS OF RESOURCES	267,137	243,040	510,177
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Accounts payable	128,639	578,091	706,730
Retainage payable	-	70,376	70,376
Accrued interest payable	30,983	46,713	77,696
Accrued and other liabilities	17,551	-	17,551
Current portion of long-term debt	1,427,799	1,850,000	3,277,799
Total current liabilities	1,604,972	2,545,180	4,150,152
NONCURRENT LIABILITIES			
Noncurrent portion of long-term debt	9,006,678	18,865,000	27,871,678
Total noncurrent liabilities	9,006,678	18,865,000	27,871,678
TOTAL LIABILITIES	10,611,650	21,410,180	32,021,830
NET POSITION			
Net investment in capital assets	11,608,903	24,339,259	35,948,162
Restricted for debt service	731,827	513,260	1,245,087
Unrestricted	23,700,624	30,646,690	54,347,314
TOTAL NET POSITION	$ 36,041,354	$ 55,499,209	$ 91,540,563

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas **Exhibit 15**

Statement of Activities
Component Units
For the year ended September 30, 2022

Function/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Component Units: Allen Economic Development Corporation	Net (Expense) Revenue and Changes in Net Position: Component Units: Allen Community Development Corporation	Totals
COMPONENT UNITS						
Allen Economic Development Corporation	$ 5,742,913	$ -	$ -	$ (5,742,913)	$ -	$ (5,742,913)
Allen Community Development Corporation	9,110,109	-	-	-	(9,110,109)	(9,110,109)
TOTAL COMPONENT UNITS	$ 14,853,022	$ -	$ -	$ (5,742,913)	$ (9,110,109)	$ (14,853,022)
General revenues:						
Sales taxes				$ 13,559,367	$ 13,559,367	$ 27,118,734
Investment income (loss)				(46,189)	(675,495)	(721,684)
Gain on disposition of capital assets				5,559,098	13,019	5,572,117
Miscellaneous				66,384	70,024	136,408
Total general revenues				19,138,660	12,966,915	32,105,575
CHANGE IN NET POSITION				13,395,747	3,856,806	17,252,553
NET POSITION, beginning of year				22,645,607	51,642,403	74,288,010
NET POSITION, end of year				$ 36,041,354	$ 55,499,209	$ 91,540,563

The Notes to Financial Statements are an integral part of this statement.

CITY OF ALLEN

Note 1. Summary of Significant Accounting Policies

General Statement

The City of Allen (the City) was incorporated in 1953, under the provisions of Chapter 11, Title 28, Texas Revised Civil Statutes of 1925. In 1979, the City adopted a charter making it a home rule city operating under a Council-Manager form of government. The City provides such services as are authorized by its charter to advance the welfare, health, comfort, safety and convenience of its inhabitants.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), and the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units.* The more significant accounting policies of the City are described below.

Financial Reporting Entity

As required by accounting principles generally accepted in the United States of America, the financial statements of the City include the primary government and organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City is financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it can impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government can impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval by the primary government. The following entities were found to be component units of the City and are included in the basic financial statements:

Allen Economic Development Corporation (AEDC) - The AEDC is responsible for aiding, promoting and furthering economic development within the City.

Allen Community Development Corporation (ACDC) - The ACDC is responsible for supporting the improvements in community parks and recreation, streets and sidewalks, public safety and the community library.

The members of both the AEDC's and ACDC's Boards of Directors are appointed by the City Council. Both the AEDC and ACDC are fiscally dependent upon the City as the City Council approves their budgets and must approve any debt issuance. However, the component units do not qualify for blending because the component services directly benefit the community rather than the City itself. The AEDC and ACDC are discretely presented as governmental fund types and do not issue separate financial statements.

Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government and its component units. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements; however, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Additionally, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a specific program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Adoption of New Accounting Standards- GASB 87 (Leases)

During fiscal year 2022, the City adopted GASB Statement No. 87, Leases (GASB 87), which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Implementation of GASB 87 resulted in no impact to the City's beginning fund balance/net position.

Fund Financial Statements

The City segregates transactions related to certain functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental funds, proprietary funds, and fiduciary funds. These statements present each major fund as a separate column on the fund financial statements; all nonmajor funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balances of current financial resources. The City has presented the following major governmental funds:

General Fund
The General Fund is the general operating fund of the City. It is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Debt Service Fund
The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is reserved to signify the amounts that are restricted exclusively for debt service expenditures.

General Capital Projects Fund
The General Capital Projects Fund is used to account for resources used for the acquisition and/or construction of capital facilities by the City, except those financed by proprietary funds and not accounted for by another capital projects fund.

Grants Fund
The Grants Fund is used to account for monies received from other governmental agencies that have restricted legal requirements and multi-year budgets.

General Obligation Bond Capital Projects Fund
The General Obligation Bond Fund is used to account for financing, acquisitions, and construction of improvements to City facilities and infrastructure not accounted for by other bond funds.

Business-type activities and all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods relating to a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The City reports the following major proprietary funds:

Enterprise Funds

Water and Sewer Fund
The Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the City. Activities for the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted, if necessary, to ensure integrity of the fund.

Solid Waste Fund
The Solid Waste Fund is used to account for the provision of solid waste services to residents of the City.

Drainage Fund
The Drainage Fund is used to account for the provision of developing and maintaining proper drainage services to the residents of the City.

Golf Course Fund
The Golf Course Fund is used to account for activities associated with the operations of The Courses at Watters Creek Golf Course purchased by the City in October 2004.

Additionally, the City reports the following Internal Service Funds:

Internal Service Funds

Replacement Fund
The Replacement Fund is an internal service fund that accounts for the costs associated with the acquisition and replacement of vehicles, machinery, and equipment through the rental of such items to other departments.

Risk Management Fund
The Risk Management Fund accounts for the costs associated with workers compensation, liability and property insurance and medical and dental programs established for City employees and their covered dependents.

Facility Maintenance Fund
The Facility Maintenance Fund accumulates resources to address large repairs and aging facility infrastructure. The accumulation of resources will help address major building repairs and prevent building deterioration.

Fiduciary Fund
The Fiduciary Fund is used to hold assets for the benefit of third parties (pension participants) and cannot be used to address activities or obligations of the primary government. This fund is not incorporated into the government-wide financial statements. The City's fiduciary fund accounts for the assets of the postemployment benefits trust.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements, fund financial statements for proprietary funds, and fiduciary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liabilities are incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers all revenues as available if they are collected within 60 days after year end.

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The revenues susceptible to accrual are property and sales taxes, franchise taxes and interest income. Other receipts (special assessments) become measurable and available when cash is received by the City and are recognized as revenue at that time.

Cash, Cash Equivalents, and Investments

State statutes and policy as established by the City Council authorize the City to invest in certificates of deposit, direct obligations of the U.S. Treasury, investment pools consisting of such U.S. Treasury obligations, repurchase agreements, commercial paper and mutual funds. Substantially all operating cash and cash equivalents are maintained in pooled cash and time deposit accounts. Interest income relating to pooled deposits is allocated to the individual funds based on each fund's pro rata share of total pooled deposits.

For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents, as they are available for withdrawal on demand. Investments are recorded at amortized cost when original maturity at the time of purchase is less than one year or at market if greater than one year.

Encumbrances

To preserve portions of applicable appropriations, encumbrance accounting is used in governmental funds for purchase orders, contracts, and other commitments on the expenditure of funds. Under the City's budgetary process, appropriations lapse at fiscal year-end. Encumbrances are reported as assigned fund balance because they do not constitute expenditures or liabilities. Encumbrances included in assigned fund balance include $71,742 for the General Fund and $18,361,004 for the Capital Projects Fund.

Property Taxes

The City's property tax is levied each October 1st on the assessed value listed as of the prior January 1st for all real and certain personal property located within the City. Appraised values are established by Collin County Central Appraisal District at 100% of estimated market value and certified by the Appraisal Review Board. The assessed value upon which the 2021 levy was based is $15,447,172,127. Taxes are due on October 1st and are delinquent after the following January 31st. The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services, including the payment of principal and interest on general obligation long-term debt. For the year ended September 30, 2022, the combined tax rate to finance general government services, including the payment of principal and interest on long-term debt, was $0.47 per $100 of assessed valuation.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district based on 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on City property. However, if the effective maintenance and operations tax rate, increased by 8% excluding other contractual obligations, adjusted for new improvements, plus the calculated debt tax rate is less than the proposed city tax rate, then qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than the rollback tax rate.

Interfund Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Transactions Between Funds and Between Funds and Component Units

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund reimbursed. All other interfund transactions, except transactions between the component units and the primary government are recorded as transfers.

Transactions between the component units and the primary government are accounted for as external transactions (revenues and expenses). During the fiscal year ended September 30, 2022, ACDC contributed $450,446 and AEDC contributed $108,126 to the General Fund for administrative costs. The ACDC contributed $1,885,400 to the General Fund to service debt related to the Terrell Recreation Center. These revenues were reflected as operating grants and contributions for the primary government in the government-wide statement of activities.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in, first-out method for fuel. The inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Payments made to vendors for services that will provide benefit in subsequent fiscal periods are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are reported as non-spendable fund balance in the governmental funds in the fund financial statements to signify that a portion of fund balance is not available for other subsequent expenditures. The consumption method is used in the fund financial statements.

Special Assessments

The City has the authority to make special assessments to property owners as part of the financing of capital improvements. Such assessments are recorded in the capital projects fund as receivables when assessed and are recognized as revenue when both the measurable and available criteria have been met (generally when collected).

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at acquisition value on the date donated. The costs of normal repairs and maintenance that do not add value to assets or materially extend asset lives are not capitalized. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment. Assets capitalized have an original cost of $5,000 or more and over one year of useful life. Financed purchase assets are City owned assets and follow the depreciation of regular capital assets. Capital assets and right-to-use assets of the City are depreciated and amortized using the straight-line method over the following estimated useful lives:

Buildings	10 - 40 Years
Towers, tanks, and pump stations	5 - 40 Years
Infrastructure	3 - 50 Years
Machinery and equipment	3 - 15 Years
Vehicles	2 - 15 years
Furniture and fixture	5 - 10 Years
Other improvements	2 - 30 Years
Right-to-use leased equipment	Lease Term

The City has established the Replacement Fund to account for the replacement of the City-owned vehicles, machinery, and equipment. Charges for use in the form of user payments are made by City departments to the Replacement Fund to provide for future acquisitions and replacements.

Compensated Absences

City employees earn vacation and sick leave, which may either be taken or accumulated up to certain amounts until paid upon retirement or termination. Upon termination or retirement, an employee is reimbursed up to a maximum number of hours of vacation pay and sick leave based upon the years of service. Accumulated vacation and sick leave are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements.

Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and the additions to/deductions from the City's OPEB Plan's net fiduciary position have been determined on the same basis as they were reported by the City's Other Postemployment Benefit Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference between expected and actual pension and OPEB experience – This difference is deferred and amortized over a closed period.
- Changes in actuarial assumptions – these are deferred and recognized over the remaining lives of all members as of the measurement date.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items that qualify for reporting in this category. In the statement of net position, the City reports the difference in expected and actual pension and OPEB experience, the changes in actuarial assumptions and the difference in projected and actual investment earnings. These are deferred and recognized over the estimated average remaining lives of all members as of the measurement date. In the balance sheet for the governmental funds, the City reports unavailable revenue for revenue not received within 60 days of year end.

Net Position

Net position represents the difference between assets, liabilities, and deferred inflows and outflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Fund Balance

Fund balance classifications are non-spendable, restricted, committed, assigned, and unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund.

The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

The City classifies governmental fund balances as follows:

Non-spendable -- includes fund balance amounts that cannot be spent because they are either not in spendable form, or for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid items and long-term receivables.

Restricted -- includes fund balance amounts that are either constrained for specific purposes imposed by external providers, such as creditors, or restricted due to constitutional provisions or enabling legislation. This classification includes retirement of long-term debt, construction programs, and other federal and state grants.

Committed -- includes fund balance amounts that are constrained for specific purposes imposed internally by the City through formal action of the highest level of decision-making authority. Committed fund balance is reported pursuant to resolutions passed by the City Council.

Assigned -- includes fund balance amounts that are self-imposed by the City to be used for a particular purpose. Fund balance can be assigned by the City Manager or the Chief Financial Officer. This classification includes insurance deductibles, encumbrances, program start-up costs, projected budget deficit for subsequent years and other legal uses.

Unassigned -- includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When multiple categories of fund balance are available for expenditure, the City will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

Minimum General Fund Unassigned Fund Balance - It is the goal of the City to achieve and maintain an unassigned General Fund balance that is within a range of 60 to 90 days of annual expenditures. If unassigned General Fund balance falls below the goal or has a deficiency, the City will establish a timeframe and work plan to replenish the fund balance. The work plan may include tax increases, fee increases, reduction of services, and/or reduction of expenditures (i.e. hiring freeze, salary freeze, or reduction of travel/training).

Note 2. Deposits, Investments and Investment Policies

Deposits – State statutes require all deposits to be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies with market values not less than the principal amount of the deposits. Pursuant to the Texas Public Funds Investment Act (PFIA) and the City's investment policy, all deposits of the City that exceed the federal depository insurance coverage level must be collateralized with irrevocable letters of credit and/or by governmental obligations pledged to the City with market values of at least 103% of the deposit balances plus accrued interest.

The City's demand deposits and certificates of deposit were fully insured or collateralized at September 30, 2022, with collateral required by state statutes. At year's end, the carrying amount of the City's deposits was $7,436,525, and the bank balance was $6,867,585. Of the bank balance, federal depository insurance covered $250,000, and the remainder was covered by collateral held by the pledging financial institution's agent in the City's name. The City's petty cash balance at September 30, 2022, was $23,909. The carrying amount of deposits for ACDC and AEDC, discretely presented component units, were $4,289,689 and $5,393,757, respectively, with no corresponding bank balances as they are pooled with the City's deposits.

Investments – State statutes authorize the City to invest in U.S. Government obligations, obligations of Texas and its agencies and fully collateralized repurchase agreements. The City, AEDC and ACDC invest in TexPool which is an investment fund authorized by the Texas Legislature and administered by the Texas State Treasury. The Texas Treasury Safekeeping Trust Company is trustee of TexPool and is a limited purpose trust company authorized pursuant to Texas Government Code. The purpose of TexPool is to allow for the pooling of public funds to provide a higher yield on the pooled investment than would be possible with the investment of the individual public entity's funds. TexPool investments are subject to the same investment policies maintained by the State Treasury for all state funds. The Legislature has authorized only certain investment instruments for public funds, including repurchase agreements, U.S. Treasury bills and bonds, securities of other U.S. Government agencies, commercial paper and other safe instruments.

The *PFIA* (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. In compliance with PFIA, the City has adopted an investment policy and is authorized to invest in obligations of, or guaranteed by, governmental entities, certificates of deposit, Texas Public Funds Investment Pools, collateralized repurchase agreements, commercial paper, banker's acceptances, no-load money market mutual funds and guaranteed investment contracts. The table below identifies the investment types that are authorized for the City under Government Code Chapter 2256. The table also identifies certain provisions of the City's investment policy that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Investment in One Issuer
Certificates of Deposit	5 years	35%
Repurchase Agreements	5 years	35%
U. S. Treasure Obligations	5 years	None
Municipal Investment Pool	5 years	None
Commercial Bank Savings Account	5 years	None
Money Market Mutual Fund	5 years	35%
U. S. Government Securities (non-callable)	5 years	None
U. S. Government Securities (callable)	5 years	None
U. S. Government Sponsored Corp. Instruments: non-callable	5 years	None
U. S. Government Sponsored Corp. Instruments: callable	5 years	None
Commercial Paper	5 years	35%
Bankers' Acceptance	5 years	35%
Guaranteed Investment Contracts	5 years	35%
State or Local Governmental Obligations	5 years	35%

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value by establishing a three-level fair value hierarchy that describes the inputs used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is based on the lowest priority level input that is significant to the entire measurement.

The City's investments are measured as presented in the table below. The City's investment balances, weighted average maturity, and credit risk of such investments are as follows:

Investment Type	Primary Government	AEDC	ACDC	Other Postemployment Benefits Trust	Total September 30, 2022	Significant Other Observable Inputs (Level 2)	% of Total Government-wide Investments	Weighted Avg. Maturity (Years)	Credit Rating
Government-wide:									
Investments Measured at Amortized Cost:									
TexPool	$ 8,554,964	$ 608,031	$ 1,022,349	$ -	$ 10,185,344	$ -	3.48%	0.03	AAAm
TexSTAR	2,694,503	191,143	305,381	-	3,191,027	-	1.09%	0.01	AAAm
Investments Measured at NAV:									
Money Market Accounts	6,267	-	-	-	6,267	-	0.00%	-	AAAm
Texas CLASS	95,925,062	9,199,849	8,924,892	-	114,049,803	-	38.98%	0.39	AAAm
Investments Measured at Cost:									
Certificates of Deposit	9,932,213	-	-	-	9,932,213	-	3.39%	9.71	n/a
Investments Subject to Fair Value:									
U.S. Agencies	77,614,251	3,030,597	10,026,364	-	90,671,212	90,671,212	30.99%	320.65	AA+
Certificates of Deposit	3,521,303	1,467,748	-	-	4,989,051	4,989,051	1.71%	6.50	n/a
Corporate bonds	924,350	-	-	-	924,350	924,350	0.32%	2.59	A+
Municipal Bonds	44,161,604	10,291,232	4,204,366	-	58,657,202	58,657,202	20.05%	94.75	A to AAA
PARS OPEB Trust Program:									
Domestic Equities	-	-	-	240,435	240,435	-			
Fixed Income	-	-	-	710,962	710,962	-			
International Equity	-	-	-	50,646	50,646	-			
Real Estate	-	-	-	10,449	10,449	-			
Total Government-wide Plus PARS OPEB Trust	$ 243,334,517	$ 24,788,600	$ 24,483,352	$ 1,012,492	$ 293,618,961	$ 155,241,815			

Investment pools, money markets, certificates of deposits (Level 1), and domestic equities are measured at amortized cost, net asset value, or cost; are valued using prices quoted in active markets for those securities; and are not required to be reported by levels in the table.

Investments in U.S. Agencies securities, certificates of deposits (Level 2), commercial paper, and municipal bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique in accordance with pricing sources by the custodian bank. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pools transact at a net asset value of $1.00 per share, have weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by a nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. TexPool and TexSTAR have a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium, or national or state emergency that affects the pools' liquidity.

TexPool is an external investment pool measured at amortized cost. The Texas Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool. In addition, the TexPool Advisory Board advises on TexPool's Investment Policy. This Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool.

TexSTAR is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by Hilltop Securities, Inc. and J.P. Morgan Investment Management, Inc. (JPMIM), and managed by JPMIM, who provides custody and investment management. The primary objectives of TexSTAR are, in order of priority, preservation and protection of principal, maintenance of enough liquidity to meet participants' needs, and yield. The portfolio will maintain a dollar-weighted average maturity that does not exceed 60 days and seeks to maintain a net asset value of $1.00 per share. TexSTAR uses amortized costs rather than fair value to report net position to compute share prices. Accordingly, the fair value of the position in TexSTAR is the same as the value of TexSTAR's shares.

Texas CLASS (Texas Cooperative Liquid Assets Security System) is an external investment pool measured at its net asset value. Texas CLASS' strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The City has no unfunded commitments related to the investment pool. Texas CLASS has a redemption notice period of one day and may redeem daily. Authority over the investment pool may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity. Texas CLASS was organized in March 1996 under a trust agreement executed by and among Texas local governmental entities in accordance with the Public Funds Investment Act, and the Texas Government Code and remains in full compliance with Government Code Chapter 2256. The fund is administered by Public Trust Advisors, LLC and is rated AAAm by Standard & Poor's Rating Services.

Investments in the Other Postemployment Benefit Trust Program (the "Trust") are held by a bank trust department separate from the City's cash and investments. The City has contracted with Public Agency Retirement Services (PARS) to manage the investment portfolio of the Trust Fund. The investments are subject to the policies and guidelines established by the committee members of the Trust.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer periods of time are more likely to be subject to increased variability in their fair values due to changes in the market interest rates. The City manages its exposure to market price changes by avoiding over-concentration of assets in a specific maturity sector, limitation of average maturity of operating funds investments to less than eighteen months, and avoidance of over-concentration of assets in specific instruments other than U.S. Treasury Securities, U.S. Agency Obligations or Securities and authorized investment pools.

Credit Risk

The City's Investment policy, in conjunction with state law, specifies the type of credit rating of all authorized investments.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This type of risk is typically expressed in terms of the credit ratings issued by a nationally recognized statistical rating organization. The City reduces the risk of issuer default by limiting investments to those instruments allowed by the Public Funds Investment Act, Chapter 2256, Texas Government Code. The City's investments in U.S. Agency securities (FFCB, FHLB, FHLMC, and FNMA) are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service.

The City's investments in municipal bonds are rated AA- by Standard and Poor's and Aa3 by Moody's Investors Service. Investments in TexPool, TexSTAR, Texas CLASS, and money market accounts carried a credit rating of AAAm by Standard & Poor's as of September 30, 2022.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy controls concentration of credit risk by limiting the amount of investment with a single issuer to no more than 35% of the total portfolio except for State approved investment pools and U.S. Government Securities and Agency Obligations. As of September 30, 2022, apart from funds invested in TexPool, TexSTAR, or Texas CLASS, the City did not have any investments with a single issuer exceeding 5% or more of the City's investments.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for investments is the risk that, in the event of failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's investment policy minimizes custodial credit risk by requiring pledged securities to be in the name of the City.

The Public Funds Investment Act requires financial institutions to secure deposits made by state or local governmental bodies by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities of the collateral must always remain at least equivalent to the bank balance less the FDIC insurance.

As of September 30, 2022, the City's deposits with financial institutions above the federal depository limits were fully collateralized.

Note 3. Receivables

Receivables at September 30, 2022, for both governmental and business-type activities, including the applicable allowances for uncollectible accounts, consist of the following:

	Property Taxes	Sales Taxes	Accrued Accounts	Interest	Other	Total
General Fund	$ 482,812	$ 5,025,306	$ -	$ 64,176	$ 5,569,648	$ 11,141,942
Debt Service	135,264	-	-	-	-	135,264
General Capital Projects	-	-	-	154,175	420,043	574,218
Grants Fund	-	-	88,830	-	-	88,830
G.O. Bond Fund	-	-	-	59,011	-	59,011
Nonmajor Governmental Funds	-	-	231,870	44,087	-	275,957
Water and Sewer Fund	-	-	9,048,663	157,332	2,040,368	11,246,363
Solid Waste Fund	-	-	811,313	4,849	521,569	1,337,731
Drainage Fund	-	-	246,275	-	4,200	250,475
Golf Course Fund	-	-	-	10,328	17,429	27,757
Internal Service Funds	-	-	16,711	92,941	-	109,652
Gross Receivables	618,076	5,025,306	10,443,662	586,899	8,573,257	25,247,200
Less: Allowance for Uncollectibles	(432,792)	-	(330,053)	-	(2,032,566)	(2,795,411)
Total Net Receivables, Primary Government	$ 185,284	$ 5,025,306	$ 10,113,609	$ 586,899	$ 6,540,691	$ 22,451,789
Component Units	$ -	$ 4,946,992	$ -	$ 175,754	$ 23,141	$ 5,145,887

The Water and Sewer Fund, Solid Waste Fund, and Drainage Fund accounts receivable include unbilled charges for services rendered through September 30, 2022.

Note 4. Capital Assets

Capital asset activity for the year ended September 30, 2022, was as follows:

Governmental Activities

	Balance September 30 2021	Additions	Dispositions	Adjustments/ Transfers	Balance September 30, 2022
Governmental Funds:-					
General capital assets not being depreciated:					
Land and land improvements	$ 156,158,009	$ 8,095,173	$ -	$ -	$ 164,253,182
Construction in progress	22,059,752	33,432,894	-	(11,049,314)	44,443,332
Total capital assets not being depreciated/amortized	178,217,761	41,528,067	-	(11,049,314)	208,696,514
General capital assets being depreciated/amortized:					
Buildings	108,898,789	-	(350,114)	-	108,548,675
Improvements other than buildings	545,196,769	3,066,921	(6,272,959)	9,666,287	551,657,018
Furniture and fixtures	4,836,510	-	(273,024)	-	4,563,486
Vehicles	1,971,036	29,729	(207,475)	-	1,793,290
Machinery and equipment	8,750,359	2,967,601	(2,682,327)	1,383,027	10,418,660
Machinery and equipment - right-to-use	-	1,475,397	-	-	1,475,397
Total capital assets being depreciated/amortized	669,653,463	7,539,648	(9,785,899)	11,049,314	678,456,526
Less accumulated depreciation/amortization for:					
Buildings	(38,764,231)	(2,754,705)	350,112	-	(41,168,824)
Improvements other than buildings	(347,818,785)	(18,283,342)	6,272,960	-	(359,829,167)
Furniture and fixtures	(4,626,941)	(59,183)	273,024	-	(4,413,100)
Vehicles	(1,308,489)	(203,856)	207,476	-	(1,304,869)
Machinery and equipment	(7,653,719)	(632,038)	2,675,463	-	(5,610,294)
Machinery and equipment - right-to-use	-	(461,529)	-	-	(461,529)
Total accumulated depreciation/amortization	(400,172,165)	(22,394,653)	9,779,035	-	(412,787,783)
Total general capital assets being depreciated/amortized, net	269,481,298	(14,855,005)	(6,864)	11,049,314	265,668,743
General capital assets, net	$ 447,699,059	$ 26,673,062	$ (6,864)	$ -	$ 474,365,257

	Balance September 30, 2021	Additions	Dispositions	Adjustments/ Transfers	Balance September 30, 2022
Internal service funds assets not being depreciated:					
Construction in progress	$ -	$ 1,596,139	$ -	$ -	$ 1,596,139
Total capital assets not being depreciated	-	1,596,139	-	-	1,596,139
Internal service funds assets being depreciated:					
Vehicles	18,261,748	367,979	(511,921)	-	18,117,806
Machinery and equipment	5,801,606	36,071	(154,674)	-	5,683,003
Total internal service assets being depreciated	24,063,354	404,050	(666,595)	-	23,800,809
Less accumulated depreciation for:					
Vehicles	(11,726,422)	(2,017,419)	511,921	-	(13,231,920)
Machinery and equipment	(4,412,934)	(439,368)	154,674	-	(4,697,628)
Total accumulated depreciation	(16,139,356)	(2,456,787)	666,595	-	(17,929,548)
Total Internal service funds capital assets being depreciated, net	7,923,998	(2,052,737)	-	-	5,871,261
Total Internal service funds capital assets, net	7,923,998	(456,598)	-	-	7,467,400
Governmental activities capital assets, net	$ 455,623,057	$ 26,216,464	$ (6,864)	$ -	$ 481,832,657

Business-Type Activities

	Balance September 30, 2021	Additions	Dispositions / Transfers	Balance September 30, 2022
Water and Sewer Activities:				
Capital assets not being depreciated:				
Land	$ 4,091,626	$ -	$ -	$ 4,091,626
Construction in progress	8,542,494	8,634,596	-	17,177,090
Total capital assets not being depreciated	12,634,120	8,634,596	-	21,268,716
Capital Assets Being depreciated:				
Towers, tanks, & pumps stations	222,547,151	1,577,824	(6,639,897)	217,485,078
Machinery and equipment	3,314,105	490,045	(806,794)	2,997,356
Vehicles	850,418	-	(33,416)	817,002
Total capital assets being depreciated	226,711,674	2,067,869	(7,480,107)	221,299,436
Less accumulated depreciation for:				
Towers, tanks, & pumps stations	(110,959,556)	(5,835,814)	6,639,897	(110,155,473)
Machinery and equipment	(2,829,946)	(198,032)	806,794	(2,221,184)
Vehicles	(383,015)	(100,448)	33,416	(450,047)
Total accumulated depreciation	(114,172,517)	(6,134,294)	7,480,107	(112,826,704)
Total capital assets being depreciated, net	112,539,157	(4,066,425)	-	108,472,732
Water and sewer activities capital assets, net	$ 125,173,277	$ 4,568,171	$ -	$ 129,741,448

	Balance September 30, 2021	Additions	Dispositions / Transfers	Balance September 30, 2022
Solid Waste Activities:				
Capital assets being depreciated:				
Vehicles	$ 140,440	$ -	$ -	$ 140,440
Total capital assets being depreciated	140,440	-	-	140,440
Less accumulated depreciation for:				
Vehicles	(77,242)	(14,044)	-	(91,286)
Total accumulated depreciation	(77,242)	(14,044)	-	(91,286)
Solid waste activities capital assets, net	$ 63,198	$ (14,044)	$ -	$ 49,154
Drainage Activities:				
Capital assets being depreciated:				
Other improvements	$ 1,230,546	$ -		$ 1,230,546
Vehicles	151,554	-	-	151,554
Machinery and equipment	593,962	86,604	(194,431)	486,135
Total capital assets being depreciated	1,976,062	86,604	(194,431)	1,868,235
Less accumulated depreciation for:				
Other improvements	(245,245)	(48,985)	-	(294,230)
Vehicles	(90,923)	(13,473)	-	(104,396)
Machinery and equipment	(479,898)	(42,605)	194,431	(328,072)
Total accumulated depreciation	(816,066)	(105,063)	194,431	(726,698)
Drainage activities capital assets, net	$ 1,159,996	$ (18,459)	$ -	$ 1,141,537
Golf Course Activities:				
Capital assets being depreciated/amortized:				
Machinery and equipment - right-to-use	$ -	$ 430,202	$ -	$ 430,202
Machinery and equipment	1,552,587	18,839	-	1,571,426
Total capital assets being depreciated/amortized	1,552,587	449,041	-	2,001,628
Less accumulated depreciation/amortization for:				
Machinery and equipment - right-to-use	-	(152,550)	-	(152,550)
Machinery and equipment	(1,234,830)	(167,023)	-	(1,401,853)
Total accumulated depreciation/amortization	(1,234,830)	(319,573)	-	(1,554,403)
Golf course activities capital assets, net	317,757	129,468	-	447,225
Business-type activities capital assets, net	$ 126,714,228	$ 4,665,136	$ -	$ 131,379,364

	Balance September 30, 2021	Additions	Dispositions	Adjustments/ Transfers	Balance September 30, 2022
Economic Development Corporation:					
Capital assets not being depreciated:					
Land and Land Improvements	$ 18,799,062	$ -	$ (6,013,533)	$ -	$ 12,785,529
Total capital assets not being depreciated	18,799,062	-	(6,013,533)	-	12,785,529
Capital assets being depreciated:					
Buildings	1,004,091	-	-	-	1,004,091
Total capital assets being depreciated	1,004,091	-	-	-	1,004,091
Less accumulated depreciation for:					
Buildings	(125,512)	(50,205)	-	-	(175,717)
Total accumulated depreciation	(125,512)	(50,205)	-	-	(175,717)
Total capital assets being depreciated, net	878,579	(50,205)	-	-	828,374
Economic Development Corporation capital assets, net	$ 19,677,641	$ (50,205)	$ (6,013,533)	$ -	$ 13,613,903
Community Development Corporation:					
Capital assets not being depreciated:					
Land and Land Improvements	$ 2,239,201	$ -	$ -	$ -	$ 2,239,201
Construction in progress	2,217,403	1,770,690	-	(1,820,373)	2,167,720
Total capital assets not being depreciated	4,456,604	1,770,690	-	(1,820,373)	4,406,921
Capital assets being depreciated:					
Buildings	36,225,091	-	(22,169)	-	36,202,922
Machine & Equipment	3,099,175	229,043	(46,007)	-	3,282,211
Improvements other than buildings	38,207,511	-	(226,493)	1,820,373	39,801,391
Vehicles	783,228	-	(80,632)	-	702,596
Total capital assets being depreciated	78,315,005	229,043	(375,301)	1,820,373	79,989,120
Less accumulated depreciation for:					
Buildings	(10,683,208)	(912,819)	22,169	-	(11,573,858)
Machinery & Equipment	(2,431,805)	(275,189)	46,007	-	(2,660,987)
Improvements other than buildings	(22,181,824)	(2,238,651)	226,493	-	(24,193,982)
Vehicles	(668,667)	(42,151)	80,632	-	(630,186)
Total accumulated depreciation	(35,965,504)	(3,468,810)	375,301	-	(39,059,013)
Total capital assets being depreciated, net	42,349,501	(3,239,767)	-	1,820,373	40,930,107
Community Development Corporation capital assets, net	$ 46,806,105	$ (1,469,077)	$ -	$ -	$ 45,337,028
Component units capital assets, net	$ 66,483,746	$ (1,519,282)	$ (6,013,533)	$ -	$ 58,950,931

Depreciation expense was charged as direct expense to programs of the primary government and component units as follows:

Governmental activities:		
General government	$	1,360,332
Public safety		1,326,031
Public works		16,266,579
Culture and recreation		3,414,999
Community development		26,712
Total depreciation and amortization expense - General capital assets		22,394,653
Internal Service Funds		2,456,787
Total depreciation/amortization expense - Governmental activities	$	24,851,440
Business-type activities:		
Water and sewer	$	6,134,294
Solid waste		14,044
Drainage utility		105,063
Golf course		319,573
Total depreciation/amortization expense - Business-type activities	$	6,572,974
Component units:		
Allen Economic Development Corporation	$	50,205
Allen Community Development Corporation		3,468,810
Total depreciation/amortization expense - Component units	$	3,519,015

Outstanding commitments at September 30, 2022, under authorized construction contracts totaled $63,894,530. These outstanding commitments for capital projects will be funded from unexpended bond proceeds and additional general obligation bonds.

Note 5. Long-term Debt

At September 30, 2022, bonds payable consisted of the following individual issues:

General Obligation Bonds:		
$1,595,000 Series 2006 Bonds due in annual installments of $50,000 to $115,000 through August 15, 2026; interest at 4.0% to 4.2%.	$	430,000
$5,065,000 Series 2013 Bonds due in annual installments of $190,000 to $340,000 through August 15, 2032; interest at 2.0% to 3.5%.		2,975,000
$10,595,000 Series 2014 Bonds due in annual installments of $375,000 to $740,000 through August 15, 2033; interest at 2.0% to 4.0%.		6,860,000
$32,245,000 Series 2015 Refunding and Improvement Bonds due in annual installments of $160,000 to $3,605,000 through August 15, 2034; interest at 2.0% to 5.0%.		11,700,000

General Obligation Bonds – continued

$6,910,000 Series 2016 Refunding Bonds due in annual installments of $775,000 to $1,000,000 through August 15, 2028; interest at 2.0% to 4.0%.	$	5,135,000
$11,845,000 Series 2017 Bonds due in annual installments of $645,000 to $1,130,000 through August 15, 2032; interest at 2.25% to 5.0%.		8,065,000
$8,355,000 Series 2018 Bonds due in annual installments of $400,000 to $725,000 through August 15, 2033; interest at 2.0% to 5.0%.		6,395,000
$8,630,000 Series 2019 Refunding and Improvement Bonds due in annual installments of $370,000 to $2,165,000 through August 15, 2034; interest at 2.5% to 4.0%.		5,715,000
$23,385,000 Series 2020 Refunding and Improvement Bonds due in annual installments of $1,020,000 to $3,355,000 through August 15, 2035; interest at 2.0% to 4.0%.		17,710,000
$10,595,000 Series 2021 Refunding and Improvement Bonds due in annual installments of $120,000 to $2,575,000 through August 15, 2036; interest at 3.0% to 5.0%.		7,900,000
$23,000,000 Series 2022 General Obligation Bonds due in annual installments of $775,000 to $1,705,000 through August 15, 2041; interest at 4.0% to 5.0%.		23,000,000
Unamortized premium on general obligation bonds.		8,771,037
	$	104,656,037

Certificates of Obligation:

$22,945,000 Series 2021 Tax & Revenue Certificates due in annual installments of $1,075,000 to $2,035,000 through August 15, 2036; interest at the rate of 4%-5%.	$	21,870,000
Unamortized premium on certificates of obligation.		4,468,466
	$	26,338,466

Tax Notes:

$3,175,000 Series 2020 Tax Notes due in annual installments of $475,000 to $580,000 through August 15, 2026; interest at the rate of 4%.	$	2,200,000
Unamortized premium on tax notes.		179,838
	$	2,379,838

	Business-type
Water and Sewer Revenue Bonds:	
$3,370,000 Series 2013 Refunding Bonds due in installments of $90,000 to $385,000 through June 1, 2025; with interest at the rate of 2.0% to 3.0%.	$ 1,015,000
$1,280,000 Series 2014 Refunding Bonds due in installments of $105,000 to $265,000 through June 1, 2024; with interest at the rate of 2.1%.	240,000
$9,330,000 Series 2018 Bonds due in installments of $290,000 to $670,000 through June 1, 2038; with interest at the rate of 2.0% to 5.0%.	7,990,000
$3,845,000 Series 2019 Bonds due in installments of $150,000 to $265,000 through June 1, 2039; with interest at the rate of 2.0% to 4.0%.	3,385,000
$4,880,000 Series 2020 Bonds due in installments of $175,000 to $360,000 through June 1, 2040; with interest at the rate of 2.0% to 5.0%.	4,500,000
$10,675,000 Series 2021 Bonds due in installments of $400,00 to $715,000 through June 1, 2036; with interest at the rate of 2.0% to 5.0%.	10,270,000
Unamortized premium on water and sewer revenue bonds.	3,069,408
	$ 30,469,408
AEDC Sales Tax Revenue Bonds:	
$11,810,000 Series 2017A Refunding Bonds due in annual installments of $880,000 to $1,335,000 through September 1, 2027; interest at 2.0% to 5.0%.	$ 6,065,000
$2,110,000 Series 2020 Sales Tax Revenue Bonds due in annual installments of $200,000 to $225,000 through September 1, 2030; interest at .75% to 2.0%.	1,710,000
$2,295,001 Series 2020 Sales Tax Revenue Bonds due in annual installments of $160,000 to $200,000 through September 1, 2036; interest at .65% to 2.45%.	2,295,000
Unamortized premium on AEDC sales tax revenue bonds.	364,477
	$ 10,434,477
ACDC Sales Tax Revenue Bonds:	
$31,235,000 Series 2016 Refunding Bonds due in annual installments of $1,715,000 to $3,825,000 through September 1, 2025; interest at 0.750% to 2.353%.	$ 20,715,000
	$ 20,715,000

The following is a summary of long-term debt transactions, including current portion, of the City for the year ended September 30, 2022:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due Within One Year
Governmental Activities					
General obligation bonds	$ 82,380,000	$ 23,000,000	$ (9,495,000)	$ 95,885,000	$ 9,515,000
Certificates of obligation	22,945,000	-	(1,075,000)	21,870,000	1,130,000
Tax notes	3,580,000		(1,380,000)	2,200,000	520,000
Financed purchases	102,538		(102,538)	-	-
Right-to-use leases	-	1,475,397	(454,530)	1,020,867	430,581
Premiums (discounts)	15,370,849	2,777,611	(4,729,119)	13,419,341	2,285,673
Compensated absences	8,228,298	5,840,689	(6,047,664)	8,021,323	6,712,627
Net OPEB liability	1,924,927	240,737	-	2,165,664	-
Net pension liability	19,586,451	-	(10,195,679)	9,390,772	-
Governmental activity long-term debt	$ 154,118,063	$ 33,334,434	$ (33,479,530)	$ 153,972,967	$ 20,593,881

The general fund has typically been used to liquidate the liability for compensated absences for governmental activities.

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due Within One Year
Business-Type Activities					
Water and sewer revenue bonds	$ 28,955,000	$ -	$ (1,555,000)	$ 27,400,000	$ 1,575,000
Financed purchases	332,535	18,839	(159,929)	191,445	143,931
Right-to-use leases	-	430,202	(151,048)	279,154	161,782
Premiums (discounts)	3,480,106	-	(410,698)	3,069,408	323,399
Net pension liability	2,435,432	-	(1,133,319)	1,302,113	-
Net OPEB liability	232,784	26,748	-	259,532	-
Compensated absences	836,174	594,851	(629,529)	801,496	604,615
Business-type activity long-term debt	$ 36,272,031	$ 1,070,640	$ (4,039,523)	$ 33,303,148	$ 2,808,727
Component Units					
Allen Community Development Corporation					
Sales tax revenue bonds	$ 22,530,000	$ -	$ (1,815,000)	$ 20,715,000	$ 1,850,000
ACDC long-term debt	$ 22,530,000	$ -	$ (1,815,000)	$ 20,715,000	$ 1,850,000
Allen Economic Development Corporation					
Sales tax revenue bonds	$ 11,315,000	$ -	$ (1,245,000)	$ 10,070,000	$ 1,305,000
Note payable	666,522	-	(666,522)	-	-
Premiums (discounts)	727,972	-	(363,495)	364,477	122,799
AEDC long-term debt	$ 12,709,494	$ -	$ (2,275,017)	$ 10,434,477	$ 1,427,799
Component units long-term debt	$ 35,239,494	$ -	$ (4,090,017)	$ 31,149,477	$ 3,277,799

Bond Issuances

On June 1, 2022, the City issued *City of Allen, Texas General Obligation Bonds, Series 2022*, in the amount of $23,000,000 for acquiring, constructing, improving, and equipping park and recreational facilities, including the acquisition of land, constructing, renovating , improving and expanding municipal library facilities, acquiring, constructing, renovating, improving, expanding and equipping public safety facilities and the acquisition of land, including fire stations and police training facility, acquiring, constructing, improving and maintaining streets, thoroughfares, bridges, alleyways and sidewalks within the City, including related storm drainage improvements, traffic signalization and signage, streetscaping and median improvements, and utility relocations and the acquisition of land and right of way. Total bond proceeds totaled $25,777,611 and includes a premium of $2,777,611. Expenses incurred to deliver the Series 2022 bonds, including issuance costs, underwriter's discount, and agents' fees amounted to $256,611. The Series 2022 bonds incur an average cost over the life of the debt at a rate of 4.00%-5.00% and mature annually, with semi-annual interest payments.

Annual Requirements to Retire Debt Obligations

The City intends to retire all its general long-term liabilities, plus accrued interest, from ad valorem taxes and other current revenues. The proprietary fund type long-term debt, plus accrued interest, will be repaid from operating revenues of the Water and Sewer Fund. The annual aggregate maturities for each bond type for the years subsequent to September 30, 2022, are on the following pages.

General Obligation Bonds

Annual debt service requirements to maturity for general obligation bonds, including interest, are as follows:

	Governmental Activities		
Fiscal Year Ending September 30,	Principal	Interest	Total
2023	$ 9,515,000	$ 4,079,524	$ 13,594,524
2024	8,655,000	3,548,558	12,203,558
2025	7,790,000	3,214,736	11,004,736
2026	8,085,000	2,920,657	11,005,657
2027	8,315,000	2,567,646	10,882,646
2028-2032	32,065,000	8,332,628	40,397,628
2033-2037	15,025,000	2,798,150	17,823,150
2038-2042	6,435,000	656,200	7,091,200
Total	$ 95,885,000	$ 28,118,099	$ 124,003,099

Certificates of Obligation

Annual debt service requirements to maturity for certificates of obligation, including interest, are as follows:

	Governmental Activities		
Fiscal Year Ending September 30,	Principal	Interest	Total
2023	$ 1,130,000	$ 982,750	$ 2,112,750
2024	1,190,000	926,250	2,116,250
2025	1,250,000	866,750	2,116,750
2026	1,310,000	804,250	2,114,250
2027	1,370,000	738,750	2,108,750
2028-2032	7,950,000	2,609,950	10,559,950
2033-2037	7,670,000	782,400	8,452,400
Total	$ 21,870,000	$ 7,711,100	$ 29,581,100

Tax Notes

Annual debt service requirements to maturity for the Tax Notes, including interest, are as follows:

	Governmental Activities		
Fiscal Year Ending September 30,	Principal	Interest	Total
2023	$ 520,000	$ 88,000	$ 608,000
2024	540,000	67,200	607,200
2025	560,000	45,600	605,600
2026	580,000	23,200	603,200
Total	$ 2,200,000	$ 224,000	$ 2,424,000

Waterworks and Sewer System Revenue Bonds

Revenue bonds debt service requirements to maturity, including interest, are as follows:

	Business-type Activities		
Fiscal Year Ending September 30	Principal	Interest	Total
2023	$ 1,575,000	$ 1,019,366	$ 2,594,366
2024	1,645,000	970,308	2,615,308
2025	1,420,000	929,700	2,349,700
2026	1,200,000	892,950	2,092,950
2027	1,230,000	862,950	2,092,950
2028-2032	6,880,000	3,556,050	10,436,050
2033-2037	8,490,000	1,939,800	10,429,800
2038-2042	4,960,000	371,450	5,331,450
Total	$ 27,400,000	$ 10,542,574	$ 37,942,574

AEDC Sales Tax and Revenue Bonds

Sales Tax Revenue bond debt service requirements to maturity, including interest, are as follows:

	AEDC		
Fiscal Year Ending September 30,	Principal	Interest	Total
2023	$ 1,305,000	$ 371,792	$ 1,676,792
2024	1,515,000	314,743	1,829,743
2025	1,580,000	253,845	1,833,845
2026	1,645,000	189,015	1,834,015
2027	1,715,000	120,468	1,835,468
2028-2032	1,540,000	170,508	1,710,508
2033-2037	770,000	46,927	816,927
Total	$ 10,070,000	$ 1,467,298	$ 11,537,298

ACDC Sales Tax and Revenue Bonds

Sales Tax Revenue bond debt service requirements to maturity, including interest, are as follows

	ACDC		
Fiscal Year Ending September 30,	Principal	Interest	Total
2023	$ 1,850,000	$ 560,560	$ 2,410,560
2024	1,890,000	521,192	2,411,192
2025	1,935,000	476,721	2,411,721
2026	1,980,000	431,190	2,411,190
2027	2,030,000	382,423	2,412,423
2028-2032	11,030,000	1,027,080	12,057,080
Total	$ 20,715,000	$ 3,399,167	$ 24,114,167

A schedule of authorized but unissued direct General Obligation Bonds as of September 30, 2022, is as follows:

Purpose	Date of Authorization	Original Amount Authorized	Issued in Prior Fiscal Years	Issued in 2022	Unissued Balance
Service Center Facilities	5/12/2007	$ 14,500,000	$ 12,500,000	$ -	$ 2,000,000
Library	5/7/2016	16,045,000	2,431,000	13,614,000	-
Streets and Drainage	5/7/2016	23,890,000	18,228,000	762,000	4,900,000
Parks	5/7/2016	27,000,000	18,000,000	3,000,000	6,000,000
Public Art Projects	5/7/2016	1,770,000	867,940	-	902,060
Public Safety	5/7/2016	24,445,000	13,000,000	8,145,000	3,300,000
		$ 107,650,000	$ 65,026,940	$ 25,521,000	$ 17,102,060

Waterworks and Sewer System Revenue Bonds

Waterworks and Sewer System Revenue Bonds are used to finance the acquisition of major capital improvements for the City's water and sewer system and related facilities. Water and Sewer Revenue Bonds and Refunding Bonds are payable solely from and, equally secured by, a first lien on and pledge of the net revenue of the City's combined waterworks and sanitary sewer systems.

The City is required by the applicable revenue bond indentures to pledge the net revenues of the Water and Sewer Enterprise Fund for the retirement of its outstanding revenue bonds, including interest thereon, and is required to maintain debt service funds and bond reserve funds for all such bonds outstanding.

Funds aggregating $1,230,726 at September 30, 2022, are restricted within the Water and Sewer Enterprise Fund for servicing of the debt. The respective bond indentures require the City to make equal monthly payments to the restricted accounts to accumulate the annual principal and interest requirements as they become due.

The ordinances authorizing the Revenue Bonds stipulate that the City will deposit, in addition to principal and interest requirements, certain amounts in a reserve fund. Amounts in the reserve fund are to be used to pay principal and interest on outstanding bonds whenever enough funds are not available in the bond interest and redemption fund. The bond indentures require that the City accumulate reserves to an amount equal to the average annual principal and interest requirements of all outstanding bonds secured by the net revenues of the system. Such reserves are funded up to the required level in equal monthly installments over a maximum five-year period, as defined in the indentures. Amounts in the reserve fund at September 30, 2022, of $3,142,683 are adequate to meet the reserve requirements.

At September 30, 2022, restricted assets, which include amounts in the Water and Sewer Revenue Bond Debt Service and the Revenue Bond Reserve Fund, were as follows:

Revenue bond reserve fund	$	2,034,419
Revenue bond debt service		1,108,264
	$	3,142,683

Net position reserved for Water and Sewer revenue bond retirement is detailed as follows:

Restricted assets, revenue bond debt		
Service and reserve funds	$	3,142,683
Accrued interest, payable from restricted assets		(336,957)
Current maturities of revenue bonds, payable from restricted assets		(1,575,000)
Reserved for water and sewer revenue bonds principal and interest	$	1,230,726

The City complies with the various requirements of the bond ordinances.

Financed Purchases

The City has acquired office equipment, a building, and land under various agreements accounted for as financed purchases. As of September 30, 2022, the capitalized costs of business-type property under financed purchase arrangements were $790,281.

The terms of the leases range from 3 - 5 years and call for monthly and annual payments over the life of the agreements. The future minimum payments under financed purchase arrangements and the net present value of the future minimum payments at September 30, 2022, are as follows:

Fiscal Year Ending	Business-type Activities		
September 30,	Principal	Interest	Total
2023	$ 143,931	$ 4,915	$ 148,846
2024	15,540	1,964	17,504
2025	16,311	1,193	17,504
2026	15,663	383	16,046
Total	$ 191,445	$ 8,455	$ 199,900

Leases

Lessee

The City is a lessee for noncancellable leases of buildings, copiers, and other equipment. The City recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (leased asset), reported with other capital assets, in the government-wide and proprietary fund financial statements. The City recognizes lease liabilities with lease payments of $20,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life. Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the City is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

The future principal and interest lease payments as of fiscal year-end are as follows:

Fiscal Year Ending September 30,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2023	$ 430,581	$ 33,246	$ 463,827	$ 161,782	$ 5,535	$ 167,317
2024	407,324	17,241	424,565	108,430	1,071	109,501
2025	146,856	4,277	151,133	8,942	6	8,948
2026	36,106	80	36,186	-	-	-
Total	$ 1,020,867	$ 54,844	$ 1,075,711	$ 279,154	$ 6,612	$ 285,766

Note 6. Interfund Transfers

Individual fund operating transfers for fiscal year ended September 30, 2022, were as follows:

Fund	Transfers In	Transfers Out
Major Governmental Funds:		
General Fund	$ 6,095,044	$ 4,934,474
General Capital Projects	2,950,000	-
General Obligation Bonds	-	285,391
Grant Fund	4,532	-
Debt Service Fund	816,326	-
Total Major Governmental Funds	9,865,902	5,219,865
Nonmajor Governmental Funds:		
Special Revenue	-	92,113
Hotel Occupancy Tax	-	2,705
Total Nonmajor Governmental Funds	-	94,818
Major Enterprise Funds:		
Water and Sewer Fund	50,811	5,096,622
Solid Waste Fund	-	895,119
Drainage Utility Fund	-	425,047
Total Major Enterprise Funds	50,811	6,416,788
Internal Service Funds:		
Facility Maintenance Fund	414,758	-
Risk Management Fund	1,400,000	-
Total Internal Service Funds	1,814,758	-
Total Transfers	$ 11,731,471	$ 11,731,471

Transfers are used to move unrestricted funds to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs and to support cash financing of capital projects.

The fund financial statements show:

Governmental funds: Total transfer in of $9,865,902 into the governmental funds were made to fund capital projects, and provide funding for technology, procurement, human resources, building maintenance, financial, and administrative support. Transfers out totaling $5,314,683 includes cash financing for capital projects, and support to programs recorded in non-major governmental and internal service funds.

Proprietary funds: Total transfers in of $50,811 into the enterprise funds mainly represents amounts transferred into Water and Sewer Funds to support operations. The total transfers out of $6,416,788 represents the amount provided by other funds for technology, procurement, human resources, building maintenance, financial and administrative support. The internal service funds total transfers in of $1,814,758 represents the amounts needed for repairs of aging facility infrastructure and risk administration support.

Note 7. Retirement Plan

Plan Description

The City participates as one of 901 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at www.tmrs.com.

All eligible employees of the city are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

A summary of plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years at any age, 5 years at age 60 and above
Updated Service Credit	100% Repeating
Annuity Increase to retirees	70% of CPI Repeating

Employees Covered by Benefit Terms:

At the December 31, 2021, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	303
Inactive employees entitled to, but not yet receiving benefits	546
Active employees	761
Total	1,610

Contributions

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The City's contribution to TMRS for the year ended September 30, 2022 was $8,810,782, which equaled the annual contribution for the year.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females, respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Actuarial assumptions used in the December 31, 2021 valuation were based on the results of actuarial experience studies. This experience study was for the period December 31, 2014 through December 31, 2018. Healthy post-retirement mortality rates and annuity purchase rates are based on a Mortality Experience Investigation Study covering 2014 through 2018, and dated December 31, 2019. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other Public and Private Markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	10.0%	10.00%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2021	$ 251,464,896	$ 229,443,013	$ 22,021,883
Changes for the year:			
Service cost	10,401,936	-	10,401,936
Interest	17,039,222	-	17,039,222
Difference between expected and actual experience	4,068,814	-	4,068,814
Change in assumptions	-		-
Contributions - employer	-	8,906,713	(8,906,713)
Contributions - employee	-	4,111,437	(4,111,437)
Net investment income	-	29,958,269	(29,958,269)
Benefit payments, including refunds of employee contributions	(8,465,892)	(8,465,892)	-
Administrative expense	-	(138,398)	138,398
Other changes	-	949	(949)
Net changes	23,044,080	34,373,078	(11,328,998)
Balance at 12/31/2021	$ 274,508,976	$ 263,816,091	$ 10,692,885

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	$ 54,732,873	$ 10,692,885	$ (24,991,764)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2022, the City recognized pension expense in the amount of $4,409,328. At September 30, 2022, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,870,693	$ (433,526)
Changes in actuarial assumptions	156,023	-
Difference between projected and actual investment earnings	-	(15,343,075)
Contributions subsequent to the measurement date	6,515,601	-
Total	$ 10,542,317	$ (15,776,601)

Deferred outflows of resources in the amount of $6,515,601 related to pensions that resulted from contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement year ending December 31:	
2022	$ (1,723,247)
2023	(5,252,705)
2024	(2,522,205)
2025	(2,251,728)
Total	$ (11,749,885)

Note 8. Water and Sewer Contracts

In 1972, the City entered a forty-year contract with the North Texas Municipal Water District (District) for the purchase of water. Under the terms of this contract, the City is obligated to make a minimum annual payment (adjusted annually) in return for a minimum volume of gallons of water per year. During 1998, the City was annexed into the North Texas Municipal Water District, which guaranteed the City a minimum volume of water. For the year ended September 30, 2022, the cost of water purchased under this contract was $18,152,931.

In 1978, the City entered a contract with the District for the transportation, treatment and disposal of sanitary sewage and other waste. The contract will continue in force at least until all bonds issued by the District pursuant to the contract have been paid in full and will remain in force thereafter throughout the useful life of the District's sanitary sewer system. The contract requires the City to pay varying amounts based on the costs associated with sewage transported and/or treated and disposed. The cost includes the City's proportionate share of the District's operating and maintenance expenses and related debt service costs. During fiscal year 2022, the cost for transportation, treatment and disposal of sewage and other wastes was $11,100,663.

Note 9. Deferred Compensation Plan

As a result of legislative changes, all amounts of compensation deferred, all property and rights purchased, and all income, property or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries, whereas, prior to these legislative changes, these amounts were solely the property and rights of the City subject to the claims of the City's general creditors. As a result, at September 30, 2022, the deferred compensation investments are not reported in the City's financial statements.

Note 10. Risk Management

Health and Dental Insurance

The City provides health and dental insurance benefits to City employees under a modified self-insurance plan. Under the plan, the City and the employee pay a portion of a predetermined monthly premium, which is based on the estimated claims cost for the plan and the extent of medical coverage selected by the employee. To cover annual costs, premium payments are reported as operating revenues of the Risk Management Fund and operating expenditures/expenses of the participating funds.

A commercial insurance carrier is utilized to adjudicate and pay medical claims on behalf of the City. The City's medical claims liability is limited by a stop loss insurance policy that covers individuals' medical claims in excess of $125,000 per plan year. Aggregate stop loss coverage of $2,000,000 per plan year provides protection to limit claim liability for the plan as a whole. The liabilities for insurance claims reported are based on GASB No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

These liabilities include an estimate for incurred but not reported claims. The estimated amount at September 30, 2022, was $1,134,853. Changes in the Risk Management liability during the past five fiscal years were as follows:

Year Ending September 30,	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year
2018	$ 1,160,834	$ 7,857,200	$ 7,953,825	$ 1,064,209
2019	1,064,209	8,909,032	8,771,234	1,202,007
2020	1,202,007	8,285,276	8,433,972	1,053,311
2021	1,053,311	9,400,218	9,386,807	1,066,722
2022	1,066,722	9,789,575	9,721,444	1,134,853

Workers Compensation & Property and Liability Insurance

The City participates in the Texas Municipal League Intergovernmental Risk Pool (TMLIRP) for workers' compensation claims, liability (general, automobile, law enforcement, and errors/omissions), and property insurance. The cost is based on the pool's claims cost, which is adjusted to reflect the City's individual claims experience. As claims arise they are submitted to and paid by TMLIRP. To cover annual costs, premium payments are reported as operating revenues of the Risk Management Fund and operating expenditures/expenses of the participating funds.

The City has a workers' compensation deductible of $25,000 per occurrence, with an annual aggregate deductible of $330,000. During fiscal 2022, the City contributed $934,787 to the Risk Management Fund for workers' compensation.

The City has various levels of insurance deductibles for property, liability, and automobile insurance with the maximum deductible set at $10,000. All insured claims are paid by TMLIRP, less the appropriate deductible. During fiscal 2022, the City contributed $1,269,581 for property and general liability.

Note 11. Postemployment Benefits Other Than Pensions (OPEB)

City of Allen Retiree Healthcare Plan:

Plan Description and Benefits Provided

In addition to the pension benefits described in Note 7, and as required by state law, the City provides post-retirement health care benefits for all permanent full-time employees through a single employer defined benefit medical plan. To be eligible under the plan, a participant must either attain age sixty (60) and at least five (5) years of TMRS service or be any age with twenty (20) or more years of service. Retirees must make a one-time irrevocable decision to continue benefits at the time of retirement, after which their eligibility for this benefit ends. The retiree benefit consists of medical, dental and vision care until age 65.

Employees who retired on or before December 31, 2012, were "grandfathered" in and allowed to pay the same blended medical premium rates as COBRA participants, which are the total cost of premiums (no City subsidy) plus 2% administration fees. The retirees are also subject to the same rate increases as COBRA participants. Employees who retire on or after January 1, 2013, can elect health care coverage but will be required to pay the (higher) unblended rate. Current OPEB benefits are made on a pay-as-you-go basis from the Risk Management Fund. During fiscal year ended September 30, 2022, retirees paid $51,001 in the form of premiums and incurred $72,725 in plan expenses.

Employees Covered by Benefit Terms

Membership in the defined benefit medical plan consisted of the following at the measurement date of September 30, 2022:

Inactive employees or beneficiaries currently receiving benefits	5
Inactive employees entitled to but not yet receiving benefits	-
Active plan members	722
Total members	727

City of Allen Retiree Healthcare Plan

Funding Policy

Due to the significant increase in retiree premium costs, the City elected to create a separate Other Postemployment Defined Benefit Medical Plan for retirees, effective January 1, 2013. The single employer defined benefit plan is created by City ordinance and appoints the City Manager as Plan Administrator for the program. The trust was established with Public Agency Retirement Services Company (PARS) and is used to accumulate resources to fund future benefits. However, it does not represent the activities of the plan. Related medical costs are incurred in and paid from the City's Risk Management Fund. The plan benefit provisions and obligations to contribute are established by City Council action and are actuarially determined.

Net OPEB Liability (Asset)

Actuarial Methods and Assumptions **-** The City's net OPEB liability (asset) was measured as of October 1, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date, which was rolled forward using standard update procedures to determine the September 30, 2022 total OPEB liability based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	October 1, 2021
Measurement Date	September 30, 2022
Discount Rate	4.00%
Inflation	2.25% per annum
Payroll Growth Rate	3.00% per annum, including inflation
Mortality, Non-Annuitants	Sex distinct headcount weighted PUB-2010 general and safety employees table, with mortality Improvement scale MP-2021
Mortality, Annuitants	Sex distinct headcount weighted PUB-2010 general retirees table, with mortality improvement scale MP-2021
Healthcare Trend	- Medical – 11.87% initial, decreasing to an ultimate rate of 4.14% in 2043 and later years. - Dental - 3.0%
Participation Rate	20% of participants eligible for medical or dental benefits upon retirement are assumed to elect coverage.
Investment Rate of Return	4.00%, net of OPEB plan investment expenses

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equities	25.0%	4.73%
Fixed Income	70.0%	2.44%
International Equity	2.0%	6.70%
Real Estate	1.0%	5.80%
Cash	2.0%	1.30%
Total	100.0%	

Discount Rate **-** The current valuation is based upon last year's valuation results projected forward to the new Measurement Date of September 30, 2022.

Changes in the Net OPEB Liability (Asset)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balance at 09/30/2020	$ 459,985	$ 1,340,058	$ (880,073)
Changes for the year:			
Interest	6,770	-	6,770
Difference between expected and actual experience	(255,282)	-	(255,282)
Changes of assumptions	(25,531)	-	(25,531)
Net investment income (loss)	-	(179,315)	179,315
Benefit payments	(70,906)	(86,570)	15,664
Administrative expense	-	(7,943)	7,943
Net changes	(344,949)	(273,828)	(71,121)
Balance at 09/30/2021	$ 115,036	$ 1,066,230	$ (951,194)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the net OPEB liability (asset) of the City for the City of Allen Retiree Healthcare Plan, as well as what the City's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate of 4.00%:

	1% Decrease in Discount Rate (3.00%)	Current Discount Rate (4.00%)	1% Increase in Discount Rate (5.00%)
City's net OPEB (Asset)	$ (948,682)	$ (951,194)	$ (953,634)

The following presents the net OPEB liability (asset) of the City for the City of Allen Retiree Healthcare Plan, as well as what the City's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rate (6.10%)	Healthcare Cost Trend Rate (7.10%)	1% Increase in Trend Rate (8.10%)
City's net OPEB (Asset)	$ (948,230)	$ (951,194)	$ (954,113)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended September 30, 2022, the collective OPEB expense of the City of Allen Retiree Healthcare Plan was a credit of $66,948. At September 30, 2022, the City reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (271,205)
Changes in actuarial assumptions	16,031	(116,879)
Difference between projected and actual investment earnings	132,268	-
Total	$ 148,299	$ (388,084)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows.

Measurement year ending September 30,	Annual Amortization
2023	$ (28,021)
2024	(30,635)
2025	(22,071)
2026	(9,393)
2027	(42,032)
Thereafter	(107,633)
Total	$ (239,785)

Supplemental Death Benefits Plan:

Plan Description

Texas Municipal Retirement System ("TMRS") administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF"). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.The City has elected to participate in the SDBF for its active members including retirees. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded single-employer OPEB plan (i.e. no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75) for City reporting.

Benefits Provided

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit ("OPEB") and is a fixed amount of $7,500**.**

Contributions and Funding Policy

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is to not pre-fund retiree term life insurance during employees' entire careers.

Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the City. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year.

The retiree portion of contribution rates to the SDBF for the City was 0.04% for calendar year 2021 and 2022. The City's contribution to the TMRS SDBF for retirees for the fiscal year ended September 30, 2022, was $23,494, which was equal to the actuarially determined contribution (ADC).

Summary of Actuarial Assumptions and Other Inputs Used

Inflation	2.5 %
Salary Increases	3.5% to 10.5%, including inflation.
Discount Rate	1.84%
Retirees' share of benefit-related costs	$0.00
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality Rates – disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Note: The actuarial assumptions used in the December 31, 2021, valuation was based on the results of an actuarial experience study for the period December 31, 2014, to December 31, 2018.

Employees Covered by Benefit Terms*

At December 31, 2021, the actuarial valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	217
Inactive employees entitled to, but not yet receiving benefits	123
Active employees	761
Total	1,101

Changes in Total OPEB Liability

Total OPEB Liability – beginning of year	$ 2,157,711
Changes for the year:	
Service Cost	170,331
Interest on Total OPEB Liability	44,623
Differences between expected and actual experience	(7,796)
Changes in assumptions or other inputs	83,821
Benefit payments	(23,494)
Net Change	267,485
Total OPEB Liability - end of year	$ 2,425,196

The City's total OPEB liability of $2,425,196 was measured at December 31, 2021, and determined by an actuarial valuation as of that date. Accordingly, no roll-forward is required.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.84%) or 1-percentage-point higher (2.84%) than the current discount rate:

	1.0% Decrease in Discount Rate (.84%)	Current Discount Rate (1.84%)	1.0% Increase in Discount Rate (2.84%)
Total OPEB Liability	$ 3,045,707	$ 2,425,196	$ 1,957,353

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2022, the City recognized OPEB expense of $295,176. OPEB expense recognized is as follows

Components of OPEB Expense:	
Service Cost	$ 170,331
Interest on Total OPEB Liability	44,623
Differences between expected and actual experience	(24,410)
Change in assumptions or other input	104,632
Total OPEB Expense	$ 295,176

At September 30, 2022, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Contributions made subsequent to measurement date	$ 18,406	$ -
Differences between expected and actual experience	43,914	(166,673)
Changes in assumptions or other inputs	512,660	(48,155)
Total	$ 574,980	$ (214,828)

Deferred outflows of resources in the amount of $18,406 related to OPEB that resulted from contributions made subsequent to the measurement date but before September 30, 2022, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future OPEB expense as follows:

Year Ending September 30,	Net deferred outflows/ (inflows) of resources
2023	$ 80,222
2024	80,222
2025	63,877
2026	62,979
2027	44,625
Thereafter	9,821
Total	$ 341,746

Combined Totals for Retiree Healthcare Plan and Supplemental Death Benefits Plan

The combined totals for the two OPEB plans are as follows:

	Retiree Healthcare Plan	SDBF	Total
OPEB asset	$ 951,194	$ -	$ 951,194
OPEB liability	-	(2,425,196)	(2,425,196)
Deferred inflows	(388,084)	(214,828)	(602,912)
Deferred outflows	148,299	574,980	723,279
OPEB expense (credit)	(66,948)	295,176	228,228

Note 12. Tax Abatements and Economic Incentives

The City enters into economic development agreements designed to promote development and redevelopment within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax, and enhance the property tax base and economic vitality of the City. These programs abate or rebate property and sales taxes and include incentive payments and rebates of fees that are not tied to taxes. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code, Chapter 311 (Tax Increment Financing Act), and 312 (Property Redevelopment and Tax Abatement Act) of the Texas Tax Code. Recipients may be eligible to receive economic assistance based on the employment impact, economic impact, or community impact of the project requesting assistance. Recipients of assistance generally commit to building or remodeling real property and related infrastructure, demolishing and redeveloping outdated properties, expanding operations, renewing facility leases, or bringing targeted businesses to the City. Agreements generally contain recapture provisions that may require repayment or termination if recipients do not meet the required provisions of the economic incentives. The following are the three categories of economic development agreements City has contracted:

General Economic Development -The City, Allen Economic Development Corporation, and Allen Community Development Corporation enter into various agreements under Chapter 380 of the Texas Local Government Code to stimulate economic development. Agreements may rebate a flat amount or percentage of property taxes or sales tax received, may result in fee reductions or rebates, or make lump sum payments to offset moving expenses, tenant finish-outs, demolition costs, infrastructure reimbursements, redevelopment costs or other expenses. During fiscal year 2022, the City rebated $8,519,984 in taxes and rebated fees of $258,783 under these agreements. Additionally, for fiscal year 2022, the Allen Economic Development Corporation rebated taxes in the amount of $120,322 and made incentive payments of $3,573,817, while the Allen Community Development Corporation rebated taxes in the amount of $120,322, and made an incentive payment of $1,500,000.

Tax Abatements -Tax Abatements under Chapter 312 of the Texas Tax Code allow the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants. These abatement agreements authorize the appraisal districts to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer pays taxes on the lower assessed value during the term of the agreement. Property taxes abated under this program were $86,877 for the fiscal year ended September 30, 2022.

Tax Increment Financing -The City has adopted two Tax Increment Financing (TIF) zones under Chapter 311 of the Texas Tax Code. The City enters into economic development and infrastructure reimbursement agreements that earmark TIF revenues for payment to developers and represent obligations over the life of the TIF or until all terms of the agreements have been met. Additionally, the City may enter into general economic development agreements, under Chapter 380 of the Texas Local Government Code, which are funded with TIF resources. The City made $586,849 in payments for TIF obligations during fiscal year 2022.

Note 13. Commitments and Contingent Liabilities

Federal Grants -The City participates in several State and Federal assisted grant programs. Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the Federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Litigation The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

Economic Development Grant -The City has several economic development agreements whereby the City has agreed to pay a grant(s) to a developer and/or business in return for the design, construction, operating, and/or managing of the business within the City of Allen. All grants are performance based and do not constitute liabilities on the City's financial records.

Required Supplementary Information

CITY OF ALLEN

City of Allen, Texas **Exhibit A-1**

Schedule of Changes in Total OPEB Liability and Related Ratios -
Supplemental Death Benefits Fund
Last Five Measurement Years

	2021*	2020*	2019*	2018*	2017*
Total OPEB liability:					
Service cost	$ 170,331	$ 126,390	$ 94,165	$ 97,628	$ 83,658
Interest (on the total pension liability)	44,623	49,783	56,186	45,926	42,992
Changes in benefit terms	-	-	-	-	-
Difference in expected and actual experience	(7,796)	(78,736)	(183,037)	101,506	-
Change in assumptions or other inputs	83,821	315,925	317,781	(111,311)	121,271
Benefit payments **	(23,494)	(5,495)	(5,231)	(4,881)	(4,648)
Net change in total OPEB liability	267,485	407,867	279,864	128,868	243,273
Total OPEB liability, beginning of year	2,157,711	1,749,844	1,469,980	1,341,112	1,097,839
Total OPEB liability, end of year	$ 2,425,196	$ 2,157,711	$ 1,749,844	$ 1,469,980	$ 1,341,112
Covered-employee payroll	$ 58,734,814	$ 54,952,114	$ 52,314,010	$ 48,814,159	$ 46,476,391
Total OPEB liability as a percentage of covered-employee payroll	4.13%	3.93%	3.34%	3.01%	2.89%

Notes to Schedule:

***** GASB 75 requires 10 fiscal years of data to be provided in this schedule.
However, information for additional years will be displayed as it becomes available.

****** Due to the SDBP being considered an unfunded plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

There are no assets accumulated in trust to pay related benefits for the OPEB Plan.

City of Allen, Texas **Exhibit A-2**

Schedule of OPEB Contributions -
Supplemental Death Benefits Fund
Last Five Fiscal Years

	Fiscal Year Ended September 30,				
	2022*	2021*	2020*	2019*	2018*
Actuarially determined contributions	$ 24,889	$ 18,595	$ 5,394	$ 5,156	$ 4,778
Contributions in relation to actuarially determined contribution	24,889	18,595	5,394	5,156	4,778
Contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$62,223,037	$58,367,657	$ 53,937,361	$51,562,996	$47,782,955
Contributions as a percentage of covered-employee payroll	0.04%	0.03%	0.01%	0.01%	0.01%

Notes to Schedule of OPEB Contributions

GASB 75 requires 10 fiscal years of data to be provided in this schedule.
However, information for additional years will be presented as it becomes available.

GASB 75, paragraph 57, requires that the data in this schedule be presented as of the City's fiscal year as opposed to the time period covered by the measurement date.

City of Allen, Texas **Exhibit A-3**

Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios -
Defined Benefit Retiree Healthcare Plan
Last Five Measurement Years

	Measurement Year Ended September 30,				
	2022*	2021*	2020*	2019*	2018*
Total OPEB liability					
Service cost			$ -	$ -	$ -
Interest (on the total OPEB liability)	6,770	21,215	29,520	38,887	41,469
Changes in benefit terms	-	-	-	-	-
Difference in expected and actual experience	(255,282)	-	(5,299)	-	(91,701)
Change in assumptions	(25,531)	-	(120,997)	28,859	(30,415)
Benefit payments	(70,906)	(183,188)	(49,154)	(155,176)	29,767
Net change in total OPEB liability	(344,949)	(161,973)	(145,930)	(87,430)	(50,880)
Total OPEB liability, beginning of year	459,985	621,958	767,888	855,318	906,198
Total OPEB liability, end of year (a)	$ 115,036	$ 459,985	$ 621,958	$ 767,888	$ 855,318
Plan fiduciary net position:					
Contributions -employer	$ -	$ -	$ -	$ -	$ -
Contributions -employee	-	-	-	-	-
Net investment income (loss)	(179,315)	116,827	99,920	66,177	94,484
Benefit payments	(86,570)	(222,665)	(212,086)	(142,438)	(252,781)
Administrative expense	(7,943)	(8,523)	(9,065)	(8,119)	(10,442)
Net change in plan fiduciary net position	(273,828)	(114,361)	(121,231)	(84,380)	(168,739)
Plan fiduciary net position - beginning	1,340,058	1,454,419	1,575,650	1,660,030	1,828,769
Plan fiduciary net position - ending (b)	$ 1,066,230	$ 1,340,058	$ 1,454,419	$ 1,575,650	$ 1,660,030
Plan Net OPEB liability (asset) - ending (a) - (b)	$ (951,194)	$ (880,073)	$ (832,461)	$ (807,762)	$ (804,712)
Plan fiduciary net position as a % of total OPEB liability	926.87%	291.33%	233.85%	205.19%	194.08%
Covered payroll	$ 62,223,037	$ 58,367,657	$ 53,973,541	$ 47,857,137	$ 41,451,256
Net OPEB liability (asset) as a % of covered payroll	-1.53%	-1.51%	-1.54%	-1.69%	-1.94%

Notes to Schedule:

Benefit changes. There have been no material benefit changes during the valuation periods shown above.

Changes in assumptions. There have been no material benefit changes during the valuation period.

***** GASB 75 requires 10 fiscal years of data to be provided in this schedule.
However, information for additional years will be displayed as it becomes available.

City of Allen, Texas **Exhibit A-4**

Schedule of OPEB Contributions -
Defined Benefit Retiree Healthcare Plan
Last Five Fiscal Years

	Fiscal Year Ended September 30,				
	2022*	2021*	2020*	2019*	2018*
Actuarially determined contributions	$ -	$ -	$ -	$ -	$ -
Contributions in relation to actuarially determined contribution	-	-	-	-	-
Contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 62,223,037	$ 58,367,657	$ 53,973,541	$ 47,857,137	$ 41,451,256
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

* GASB 75 requires 10 fiscal years of data to be provided in this schedule.
However, information for additional years will be presented as it becomes available.

Notes to Schedule of OPEB Contributions

Valuation Date: The Actuarially Determined Contribution is the sum of the current year's normal cost plus an amount necessary to amortize the unfunded liability over a closed 19-year period. Actuarial valuations have been performed biennially as of October 1. The most recent valuation was performed as of October 1, 2021

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar
Amortization Period	N/A
Asset Valuation Method	Market value of assets
Inflation	2.25% per annum
Healthcare cost trend rates	11.87% initial, decreasing to an ultimate rate of 4.14% in the year 2043
Investment Rate of Return	4.0%, net of OPEB plan investment expense
Retirement Age	Rates are the same as those used for the TMRS retirement plan
Mortality	Sex distinct headcount weighted PUB-2010 general safety employees mortality tables and general retirees table in conjunction with martality improvement scale MP-2021

City of Allen, Texas

Exhibit A-5

Schedule of Changes in Net Pension Liability and Related Ratios – Retirement Plan (TMRS)

Last Eight Measurement Years

	Measurement Year Ended September 30,							
	2014*	2015*	2016*	2017*	2018*	2019*	2020*	2021*
Total pension liability:								
Service cost	$ 6,407,942	$ 7,377,440	$ 7,740,829	$ 8,091,540	$ 8,503,427	$ 9,118,332	$ 9,715,534	$ 10,401,936
Interest (on the total pension liability)	9,749,386	10,562,818	11,165,087	12,232,446	13,379,960	14,492,431	15,828,804	17,039,222
Changes in benefit terms	-	-	-	-	-	-	-	-
Difference in expected and actual experience	(1,791,341)	196,259	894,580	1,293,282	(680)	1,564,808	-	4,068,814
Change in assumptions	-	(231,950)	-	-	-	409,038	(735,396)	-
Benefit payments, including refunds of employee contributions	(3,213,118)	(3,247,435)	(3,902,489)	(4,423,768)	(5,222,230)	(6,195,996)	(5,974,169)	(8,465,892)
Net change in total pension liability	11,152,869	14,657,132	15,898,007	17,193,500	16,660,477	19,388,613	18,834,773	23,044,080
Total pension liability, beginning of year	137,679,525	148,832,394	163,489,526	179,387,533	196,581,033	213,241,510	232,630,123	251,464,896
Total pension liability, end of year	$ 148,832,394	$ 163,489,526	$ 179,387,533	$ 196,581,033	$ 213,241,510	$ 232,630,123	$ 251,464,896	$ 274,508,976
Plan fiduciary net position:								
Contributions -employer	$ 5,455,902	$ 6,063,051	$ 6,473,617	$ 7,130,557	$ 7,423,200	$ 8,050,585	$ 8,425,764	$ 8,906,713
Contributions -employee	2,754,779	3,021,766	3,129,050	3,274,594	3,423,774	3,661,981	3,850,652	4,111,437
Net investment income	6,648,346	188,559	9,039,319	20,569,321	(5,239,779)	27,097,746	15,770,860	29,958,269
Benefit payments, including refunds of employee contributions	(3,213,118)	(3,247,435)	(3,902,489)	(4,423,768)	(5,222,230)	(6,195,996)	(5,974,168)	(8,465,892)
Administrative expense	(69,397)	(114,830)	(102,024)	(106,520)	(101,162)	(152,888)	(101,906)	(138,398)
Other	(5,706)	(5,671)	(5,497)	(5,400)	(5,285)	(4,592)	(3,976)	949
Net change in plan fiduciary net position	11,570,806	5,905,440	14,631,976	26,438,784	278,518	32,456,836	21,967,226	34,373,078
Plan fiduciary net position - beginning	116,193,427	127,764,233	133,669,673	148,301,649	174,740,433	175,018,951	207,475,787	229,443,013
Plan fiduciary net position - ending	$ 127,764,233	$ 133,669,673	$ 148,301,649	$ 174,740,433	$ 175,018,951	$ 207,475,787	$ 229,443,013	$ 263,816,091
Net pension liability - ending	$ 21,068,161	$ 29,819,853	$ 31,085,884	$ 21,840,600	$ 38,222,559	$ 25,154,336	$ 22,021,883	$ 10,692,885
Plan fiduciary net position as a % of total pension liability	85.84%	81.76%	82.67%	88.89%	82.08%	89.19%	91.24%	96.10%
Covered payroll	$ 39,335,988	$ 43,142,910	$ 44,410,952	$ 46,476,391	$ 48,814,159	$ 52,314,010	$ 54,952,114	$ 58,734,814
Net pension liability as a % of covered payroll	53.56%	69.12%	70.00%	46.99%	78.30%	48.08%	40.07%	18.21%

* GASB 68 requires 10 fiscal years of data to be provided in this schedule.
However, information for additional years will be presented as it becomes available.

City of Allen, Texas

Exhibit A-6

Schedule of Contributions – Retirement Plan (TMRS) Last Eight Fiscal Years

	Fiscal Year Ended September 30,							
	2015*	2016*	2017*	2018*	2019*	2020*	2021*	2022*
Actuarially determined contributions	$ 5,785,220	$ 6,028,939	$ 6,217,858	$ 6,678,295	$ 7,228,643	$ 7,555,689	$ 8,333,070	$ 8,810,782
Actual contributions	(5,797,651)	(6,181,797)	(6,545,488)	(6,927,485)	(7,736,900)	(7,890,278)	(8,739,669)	(8,810,782)
Contributions deficiency (excess)	$ (12,431)	$ (152,858)	$ (327,630)	$ (249,190)	$ (508,257)	$ (334,589)	$ (406,599)	$ -
Covered payroll	$ 40,985,314	$ 43,564,466	$ 45,962,313	$ 47,782,955	$ 51,562,996	$ 53,937,361	$ 58,367,657	$ 62,223,037
Ratio of actual contributions to covered payroll amount	14.15%	14.19%	14.24%	14.50%	15.00%	14.63%	14.97%	14.16%

***** GASB 68 requires 10 fiscal years of data to be provided in this schedule.
However, information for additional years will be presented as it becomes available.

Notes to Schedule

Valuation Date:

Actuarial determined contribution rates are calculated as of December 31st each year and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 years
Asset Valuation Method	10 year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.
Other information:	There were no benefit changes during the year.

City of Allen, Texas **Exhibit A-7**

General Fund Schedule of Revenues, Expenditures,
and Changes in Fund Balances – Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Ad valorem taxes, penalties and interest	$ 56,742,452	$ 56,885,649	$ 56,716,915	$ (168,734)
Municipal sales tax	22,644,387	28,156,146	27,386,273	(769,873)
Franchise taxes	6,899,740	6,744,698	7,342,205	597,507
Licenses, permits and fees	3,093,375	3,152,375	2,810,280	(342,095)
Charges for services	9,594,467	9,470,437	9,531,473	61,036
Fines	834,577	1,204,869	1,313,927	109,058
Gifts and contributions	2,792,705	2,857,101	2,917,033	59,932
Intergovernmental	123,652	2,911,264	2,934,604	23,340
Investment earnings	593,751	872,811	(1,407,248)	(2,280,059)
Miscellaneous	2,590,150	2,636,681	2,841,103	204,422
Total revenues	105,909,256	114,892,031	112,386,565	(2,505,466)
EXPENDITURES				
Current:				
General government	22,598,579	23,549,672	21,986,036	1,563,636
Public safety	49,697,712	51,917,314	51,483,662	433,652
Public works	6,863,481	7,162,443	6,532,462	629,981
Culture and recreation	27,514,154	29,353,706	28,059,988	1,293,718
Community development	4,094,576	4,269,808	3,736,000	533,808
Capital Outlay	45,475	1,364,683	615,725	748,958
Debt Service				
Principal retirement	-	-	454,530	(454,530)
Interest and fiscal charges	-	-	37,744	(37,744)
Total expenditures	110,813,977	117,617,626	112,906,147	5,203,753
Excess (deficiency) of revenues over (under) expenditures	(4,904,721)	(2,725,595)	(519,582)	2,698,287
OTHER FINANCING SOURCES (USES)				
Transfers in	6,261,414	6,095,044	6,095,044	-
Transfers out	(1,366,693)	(1,768,148)	(4,934,474)	(3,166,326)
Right-to-use leases	-	-	318,698	318,698
Sale of capital assets	10,000	32,926	55,945	23,019
Total other financing sources (uses)	4,904,721	4,359,822	1,535,213	(2,824,609)
NET CHANGE IN FUND BALANCE	-	1,634,227	1,015,631	(126,322)
FUND BALANCES, BEGINNING OF YEAR	27,764,293	27,764,293	27,764,293	-
FUND BALANCES, END OF YEAR	$ 27,764,293	$ 29,398,520	$ 28,779,924	$ (126,322)

City of Allen, Texas **Exhibit A-8**

Grants Fund Schedule of Revenues, Expenditures,
and Changes in Fund Balances – Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ 684,242	$ 8,087,897	$ 3,649,774	$ (4,438,123)
Investment earnings (loss)	7,790	-	(179)	(179)
Total revenues	692,032	8,087,897	3,649,595	(4,438,302)
EXPENDITURES				
Current:				
Public safety	9,974	60,080	12,669	47,411
Public works	524,898	2,961,282	2,584,498	376,784
Culture and recreation	31,370	31,789	30,539	1,250
Community development	-	3,800,000	1,049,364	2,750,636
Total expenditures	566,242	6,853,151	3,677,070	3,176,081
Excess (deficiency) of revenues over (under) expenditures	125,790	1,234,746	(27,475)	(1,262,221)
OTHER FINANCING SOURCES (USES)				
Transfers in	3,077	4,532	4,532	-
Transfers out	(207,690)	-	-	-
Total other financing sources (uses)	(204,613)	4,532	4,532	-
NET CHANGE IN FUND BALANCE	(78,823)	1,239,278	(22,943)	(1,262,221)
FUND BALANCES, BEGINNING OF YEAR	261,457	261,457	261,457	-
FUND BALANCES, END OF YEAR	$ 182,634	$ 1,500,735	$ 238,514	$ (1,262,221)

Budgetary Information

The City Council adheres to the following procedures in establishing the budgets reflected in the financial statements:

1. Each year the City Manager is required to submit to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayers' comments.

3. Prior to each October 1, the budget is legally enacted by the City Council through passage of an ordinance.

4. Annual budgets are legally adopted for the General Fund, Grants Fund and Debt Service Fund on a basis consistent with accounting principles generally accepted in the United States of America. Formal budgetary integration is not employed for proprietary funds. However, the City adopts an annual budget for those funds for managerial control purposes.

5. The City Manager is authorized to adjust budgeted amounts. However, such revisions may not result in total expenditures (appropriations) in excess of budgeted expenditures without approval of the City Council. Therefore, the legal level of budgetary control is the combined total budgeted expenditures for all fund types.

6. Formal budgetary integration is not employed for nonmajor Special Revenue Funds, Proprietary Funds or Capital Projects Funds. However, the City also adopts an annual budget for those funds for managerial control purposes.

7. Budgetary data for the non-major Special Revenue Funds and Capital Projects Funds has not been presented in the accompanying basic financial statements because such funds are budgeted over the life of the respective grant or project and not on an annual basis. Budgetary information for the Proprietary Funds has not been presented since reporting on such budgets is not legally required.

The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual — General Fund and Grants Fund present a comparison of budgetary data to actual results. The General Fund and Grants Fund utilizes the same basis of accounting for both budgetary purposes and actual results.

CITY OF ALLEN

Combining and Budgetary Comparison Schedules

Major Governmental Funds

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for and the payment of general obligation bonds, certificate of obligation bonds, and interest from governmental resources.

City of Allen, Texas **Exhibit B-1**

Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended September 30, 2022

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Ad valorem taxes	$ 15,632,416	$ 15,632,416	$ 15,557,736	$ (74,680)
Investment earnings	83,122	16,469	54,610	38,141
Total revenues	15,715,538	15,648,885	15,612,346	(36,539)
EXPENDITURES				
Principal retirement	11,997,278	12,041,975	12,052,538	(10,563)
Interest and fiscal charges	4,377,904	4,378,628	4,374,306	4,322
Total expenditures	16,375,182	16,420,603	16,426,844	(6,241)
Excess (deficiency) of revenues over (under) expenditures	(659,644)	(771,718)	(814,498)	(42,780)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	816,326	816,326
Total other financing sources (uses)	-	-	816,326	816,326
NET CHANGE IN FUND BALANCES	(659,644)	(771,718)	1,828	773,546
FUND BALANCE, BEGINNING OF YEAR	918,379	918,379	918,379	-
FUND BALANCE, END OF YEAR	$ 258,735	$ 146,661	$ 920,207	$ 773,546

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Hotel Occupancy Tax Fund – To account for funds received from hotel occupancy tax and expend as allowed by state law.

Asset Forfeiture Fund –- To account for activities associated with assets legally seized and forfeited.

Special Revenue Fund – To account for monies that have external legal restrictions associated with their use.

Gift Permanent Fund – To account for funds received through substantial gifts from the public.

Park Dedication Fund – To account for funds received and expended for the acquisition of additional park land and for the development of neighborhood parks.

Tax Increment Financing Fund – To account for the tracking of property tax and sales tax revenue and associated expenses for the City's Tax Increment Financing agreements.

City of Allen, Texas **Exhibit B-2**

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2022

	Special Revenue						
	Hotel Occupancy Tax	Asset Forfeiture	Special Revenue	Gift Permanent	Park Dedication	Tax Increment Financing	Total Non-major Governmental Funds
ASSETS							
Cash and cash equivalents	$ 1,829,128	$ 206,540	$ 610,747	$ 397,349	$ 1,106,990	$ 3,428,843	$ 7,579,597
Investments	491,357	-	994,062	-	589,368	6,046,553	8,121,340
Accounts receivable	199,301	-	32,569	-	-	-	231,870
Accrued interest	3,119	-	6,228	-	3,835	30,905	44,087
TOTAL ASSETS	$ 2,522,905	$ 206,540	$ 1,643,606	$ 397,349	$ 1,700,193	$ 9,506,301	$ 15,976,894
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ 38,503	$ -	$ 5,263	$ -	$ -	$ -	$ 43,766
Accrued liabilities	7,777	111,786	-	-	-	-	119,563
TOTAL LIABILITIES	46,280	111,786	5,263	-	-	-	163,329
FUND BALANCES							
Restricted							
Tourism	2,476,625	-	-	-	-	-	2,476,625
Asset forfeiture	-	94,754	-	-	-	-	94,754
Park acquisition and development	-	-	-	-	1,700,193	-	1,700,193
Tax increment financing agreement	-	-	-	-	-	9,506,301	9,506,301
Court technology	-	-	118,653	-	-	-	118,653
Juvenile case manager	-	-	1,610	-	-	-	1,610
PEG fees	-	-	1,067,468	-	-	-	1,067,468
Radio system	-	-	445,621	-	-	-	445,621
Court security	-	-	4,991	-	-	-	4,991
Public safety and library enhancements	-	-	-	397,349	-	-	397,349
TOTAL FUND BALANCES	2,476,625	94,754	1,638,343	397,349	1,700,193	9,506,301	15,813,565
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 2,522,905	$ 206,540	$ 1,643,606	$ 397,349	$ 1,700,193	$ 9,506,301	$ 15,976,894

City of Allen, Texas **Exhibit B-3**

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2022

	SPECIAL REVENUE						
	Hotel Occupancy Tax	Asset Forfeiture	Special Revenue	Gift Permanent	Park Dedication	Tax Increment Financing	Total Non-major Governmental Funds
REVENUES							
Ad valorem taxes, penalties and interest	$ -	$ -	$ -	$ -	$ -	$ 2,025,808	$ 2,025,808
Franchise taxes	-	-	139,148	-	-	-	139,148
Municipal sales tax	-	-	-	-	-	223,645	223,645
Licenses, permits, and fees	-	-	-	-	291,540	-	291,540
Fines	-	-	111,299	-	-	-	111,299
Hotel / motel taxes	2,074,533	-	-	-	-	-	2,074,533
Intergovernmental	-	-	-	-	-	157,185	157,185
Investment earnings (loss)	(6,883)	1,410	(34,902)	1,152	(22,259)	(214,755)	(276,237)
Miscellaneous	-	41,485	-	-	-	-	41,485
Total revenues	2,067,650	42,895	215,545	1,152	269,281	2,191,883	4,788,406
EXPENDITURES							
General government	-	-	118,214	-	-	616,849	735,063
Public safety	-	93,295	220	17,737	-	-	111,252
Culture and recreation	1,790,824	-	-	-	233,187	-	2,024,011
Capital outlay	-	-	154,076	29,580	81,459	-	265,115
Total expenditures	1,790,824	93,295	272,510	47,317	314,646	616,849	3,135,441
Excess (deficiency) of revenues over (under) expenditures	276,826	(50,400)	(56,965)	(46,165)	(45,365)	1,575,034	1,652,965
OTHER FINANCING SOURCES (USES)							
Transfers out	(2,705)	-	(92,113)	-	-	-	(94,818)
Sale of capital assets	-	1,203	-	-	-	-	1,203
Total other financing sources (uses)	(2,705)	1,203	(92,113)	-	-	-	(93,615)
NET CHANGE IN FUND BALANCES	274,121	(49,197)	(149,078)	(46,165)	(45,365)	1,575,034	1,559,350
FUND BALANCES, BEGINNING OF YEAR	2,202,504	143,951	1,787,421	443,514	1,745,558	7,931,267	14,254,215
FUND BALANCES, END OF YEAR	$ 2,476,625	$ 94,754	$ 1,638,343	$ 397,349	$ 1,700,193	$ 9,506,301	$ 15,813,565

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for financing of services provided by one department to other departments of the City on a cost-reimbursement basis.

Replacement Fund - accounts for the costs associated with the acquisition of vehicles, machinery, and equipment through the rental of such items to other departments.

Risk Management Fund – accounts for the costs associated with workers compensation, liability and property insurance and medical and dental programs established for City employees and their covered dependents.

Facility Maintenance Fund - The Facility Maintenance Fund accumulates resources to address large repairs and aging facility infrastructure. The accumulation of resources will help address major building repairs and prevent building deterioration.

City of Allen, Texas **Exhibit C-1**

Combining Statement of Net Position
Internal Service Funds
September 30, 2022

	Replacement Fund	Risk Management Fund	Facility Maintenance Fund	Totals
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 12,096,698	$ 2,677,394	1,494,391	$ 16,268,483
Investments	8,399,028	8,500,077	775,754	17,674,859
Accounts receivable	-	16,711	-	16,711
Accrued interest receivable	35,955	53,665	3,321	92,941
Prepaid items	-	82,554	-	82,554
Total current assets	20,531,681	11,330,401	2,273,466	34,135,548
CAPITAL ASSETS				
Machinery and equipment	5,683,003	-	-	5,683,003
Vehicles	18,117,806	-	-	18,117,806
Construction in progress	1,596,139	-	-	1,596,139
Accumulated depreciation	(17,929,548)	-	-	(17,929,548)
Capital assets, net of accumulated depreciation	7,467,400	-	-	7,467,400
TOTAL ASSETS	27,999,081	11,330,401	2,273,466	41,602,948
LIABILITIES AND NET POSITION				
LIABILITIES				
Accounts payable	204,073	245,506	205,135	654,714
Accrued liabilities	-	74	-	74
Incurred but not reported claims	-	1,134,853	-	1,134,853
TOTAL LIABILITIES	204,073	1,380,433	205,135	1,789,641
NET POSITION				
Net investment in capital assets	7,467,400	-	-	7,467,400
Unrestricted	20,327,608	9,949,968	2,068,331	32,345,907
TOTAL NET POSITION	$ 27,795,008	$ 9,949,968	$ 2,068,331	$ 39,813,307

City of Allen, Texas **Exhibit C-2**

Combining Statement of Revenues, Expenses,
and Changes in Fund Net Position
Internal Service Funds
For the Year Ended September 30, 2022

	Replacement Fund	Risk Management Fund	Facility Maintenance Fund	Totals
OPERATING REVENUES				
Charges for services	$ 3,807,548	$ 13,163,574	$ -	$ 16,971,122
Other income	42,268	340,674	-	382,942
Total operating revenues	3,849,816	13,504,248	-	17,354,064
OPERATING EXPENSES				
Personal services	-	492,001	-	492,001
Contractual services	-	12,618,132	-	12,618,132
Maintenance	-	-	540,234	540,234
Depreciation	2,456,787	-	-	2,456,787
Total operating expenses	2,456,787	13,110,133	540,234	16,107,154
OPERATING INCOME (LOSS)	1,393,029	394,115	(540,234)	1,246,910
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings (loss)	(631,220)	(597,843)	(61,348)	(1,290,411)
Gain on disposal of capital assets	241,048	-	-	241,048
Total non-operating revenues (expenses)	(390,172)	(597,843)	(61,348)	(1,049,363)
INCOME (LOSS) BEFORE TRANSFERS	1,002,857	(203,728)	(601,582)	197,547
TRANSFERS				
Transfers in	-	414,758	1,400,000	1,814,758
Total transfers	-	414,758	1,400,000	1,814,758
CHANGE IN FUND NET POSITION	1,002,857	211,030	798,418	2,012,305
NET POSITION, BEGINNING OF YEAR	26,792,151	9,738,938	1,269,913	37,801,002
NET POSITION, END OF YEAR	$ 27,795,008	$ 9,949,968	$ 2,068,331	$ 39,813,307

City of Allen, Texas **Exhibit C-3**

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2022

	Replacement Fund	Risk Management Fund	Facility Maintenance Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from transactions with other funds	$ 3,849,816	$ 13,518,051	$ -	$ 17,367,867
Cash paid to employees for services	-	(508,141)	-	(508,141)
Cash paid for goods and services	164,965	(2,792,744)	(507,725)	(3,135,504)
Cash paid for claims	-	(9,653,313)	-	(9,653,313)
Net cash provided by (used in) operating activities	4,014,781	563,853	(507,725)	4,070,909
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	-	414,758	1,400,000	1,814,758
Net cash provided by non-capital financing activities	-	414,758	1,400,000	1,814,758
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(2,000,189)	-	-	(2,000,189)
Proceeds from sale of capital assets	241,048	-	-	241,048
Net cash used in capital and related financing activities	(1,759,141)	-	-	(1,759,141)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investment securities	3,305,974	(2,017,244)	117,402	1,406,132
Interest on investments	(619,570)	(625,143)	(61,037)	(1,305,750)
Net cash provided by (used in) investing activities	2,686,404	(2,642,387)	56,365	100,382
NET CHANGE IN CASH AND CASH EQUIVALENTS	4,942,044	(1,663,776)	948,640	4,226,908
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	7,154,654	4,341,170	545,751	12,041,575
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 12,096,698	$ 2,677,394	$ 1,494,391	$ 16,268,483
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Net operating income (loss)	$ 1,393,029	$ 394,115	$ (540,234)	$ 1,246,910
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	2,456,787	-	-	2,456,787
Change in assets and liabilities:				
Accounts receivable	-	13,803	-	13,803
Prepaids	-	(82,554)	-	(82,554)
Liabilities	164,965	238,489	32,509	435,963
Total adjustments	2,621,752	169,738	32,509	2,823,999
Net cash provided by (used in) operating activities	$ 4,014,781	$ 563,853	$ (507,725)	$ 4,070,909
NON-CASH INVESTING ACTIVITIES				
Change in the fair value of investments	$ (12,148)	$ (6,747)	$ (930)	$ (19,825)

Discretely Presented Component Units

Allen Economic Development Corporation (AEDC) – AEDC is a legally separate entity from the City and is responsible for aiding, promoting and furthering economic development within the City.

Allen Community Development Corporation (ACDC) – ACDC is a legally separate entity from the City and is responsible for supporting the improvements in community parks and recreation, streets and sidewalks, public safety and the community library.

City of Allen, Texas **Exhibit D-1**

Balance Sheet
Allen Economic Development Corporation
September 30, 2022

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	15,392,780
Investments		14,789,577
Sales tax receivable		2,473,496
Accrued interest receivable		116,111
TOTAL ASSETS	$	32,771,964
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable	$	128,639
Accrued and other liabilities		17,551
TOTAL LIABILITIES		146,190
FUND BALANCE		
Restricted		
Debt service		731,827
Unassigned		31,893,947
TOTAL FUND BALANCE		32,625,774
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$	32,771,964

City of Allen, Texas **Exhibit D-2**

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
Allen Economic Development Corporation
September 30, 2022

Total fund balance of governmental fund balance sheet	$	32,625,774
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred charges on refunding represent a consumption of net position that applies to future periods and, therefore, will not be recognized as an outflow of resources until then. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.		267,137
Interest payable on long-term debt does not require current financial resources. Accordingly, interest payable is not reported as a liability on the governmental funds balance sheet.		(30,983)
Long-term liabilities, including bonds payable are not due and payable in the current period and, accordingly, are not reported in the fund financial statements.		(10,434,477)
Capital assets (net of accumulated depreciation) used in governmental activities are not current financial resources and, accordingly, are not reported on the governmental funds balance sheet.		13,613,903
Net position of governmental activities	$	36,041,354

City of Allen, Texas **Exhibit D-3**

Statement of Revenues, Expenditures,
and Change in Fund Balance
Allen Economic Development Corporation
For the Year Ended September 30, 2022

REVENUES		
Sales and other taxes	$	13,559,367
Investment earnings (loss)		(46,189)
Miscellaneous		66,384
Total revenues		13,579,562
EXPENDITURES		
Current:		
Economic development		5,572,201
Debt service:		
Principal retirement		1,911,522
Interest and fiscal charges		438,219
Total expenditures		7,921,942
Excess of revenues over expenditures		5,657,620
OTHER FINANCING SOURCES		
Proceeds from sale of capital assets		11,572,631
Total other financing sources		11,572,631
NET CHANGE IN FUND BALANCE		17,230,251
FUND BALANCE, BEGINNING OF YEAR		15,395,523
FUND BALANCE, END OF YEAR	$	32,625,774

City of Allen, Texas **Exhibit D-4**

Reconciliation of the Governmental Funds Statement
of Revenues, Expenditures, and Change in Fund Balance
to the Statement of Activities
Allen Economic Development Corporation
For the Year Ended September 30, 2022

Net change in fund balance - total governmental fund			$ 17,230,251
Amounts reported for governmental activities in the statement of activities are different because:			
The book value of capital assets disposed are recorded as reductions of the capital asset in the governmental activities statement of activities and proceeds, whereas, they are recorded as sale of capital assets in the governmental funds.			(6,013,533)
Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Accordingly, depreciation expense is not reported as expenditures in the governmental funds.			(50,205)
The payment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued. However, these amounts are amortized in the government-wide financial statements:			
Bond principal retirement	$ 1,245,000		
Note principal retirement	666,522		
Amortization of bond premiums	363,495		
Amortization of deferred charges on refunding	(54,333)		2,220,684
Current year changes in accrued interest payable do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			8,550
Change in net position of governmental activities			$ 13,395,747

City of Allen, Texas **Exhibit D-5**

Balance Sheet
Allen Community Development Corporation
September 30, 2022

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	14,542,311
Investments		14,230,730
Sales tax receivable		2,473,496
Accounts receivable		23,141
Accrued interest receivable		59,643
TOTAL ASSETS	$	31,329,321
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable	$	578,091
Retainage payable		70,376
TOTAL LIABILITIES		648,467
FUND BALANCES		
Restricted		
Debt service		513,260
Unassigned		30,167,594
TOTAL FUND BALANCE		30,680,854
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$	31,329,321

City of Allen, Texas **Exhibit D-6**

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
Allen Community Development Corporation
September 30, 2022

Total governmental fund balance	$	30,680,854
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred charges on refunding represent a consumption of net position that applies to future periods and, therefore, will not be recognized as an outflow of resources until then. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.		243,040
Interest payable on long-term debt does not require the use of current financial resources, and, accordingly, is not reported as a liability on the governmental fund balance sheet.		(46,713)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the fund financial statements.		(20,715,000)
Capital assets (net of accumulated depreciation) used in governmental activities are not current financial resources and, therefore, are not reported on the governmental fund balance sheet.		45,337,028
Net position of governmental activities	$	55,499,209

City of Allen, Texas **Exhibit D-7**

Statement of Revenues, Expenditures,
and Change in Fund Balance
Allen Community Development Corporation
For the Year Ended September 30, 2022

REVENUES		
Sales and other taxes	$	13,559,367
Investment earnings (loss)		(675,495)
Miscellaneous		70,024
Total revenues		12,953,896
EXPENDITURES		
Current:		
Community development		4,966,731
Capital projects:		
Community development		1,999,735
Debt service:		
Principal retirement		1,815,000
Interest and fiscal charges		596,485
Total expenditures		9,377,951
Excess of revenues over expenditures		3,575,945
OTHER FINANCING SOURCES		
Proceeds from sale of capital assets		13,019
Total other financing sources (uses)		13,019
NET CHANGE IN FUND BALANCE		3,588,964
FUND BALANCE, BEGINNING OF YEAR		27,091,890
FUND BALANCE, END OF YEAR	$	30,680,854

City of Allen, Texas **Exhibit D-8**

Reconciliation of the Governmental Fund Statement
of Revenues, Expenditures, and Change in Fund Balance
to the Statement of Activities
Allen Community Development Corporation
For the Year Ended September 30, 2022

Net change in fund balance - total governmental fund	$	3,588,964
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.		1,999,735
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued. However, these amounts are amortized in the government-wide financial statements.		(81,013)
Current year changes in accrued interest payable do not require the use of current financial resources and, accordingly, are not reported as expenditures in governmental funds.		2,930
Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Accordingly, depreciation expense is not reported as expenditures in the governmental funds.		(3,468,810)
Repayment of the principal on long-term debt consumes the current financial resources of governmental funds. However, these transactions have no effect on net position.		1,815,000
Change in net position of governmental activities	$	3,856,806

CITY OF ALLEN

Statistical Section
(Unaudited)

CITY OF ALLEN

STATISTICAL SECTION

This part of the City of Allen's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the City's overall financial health. This information has not been audited by the independent auditor.

Contents	Table #s
Financial Trends These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	**1, 2, 3 & 4**
Revenue Capacity These tables contain information to help the reader assess the City's two most significant local revenue sources, the property and sales taxes.	**5, 6, 7 & 8**
Debt Capacity These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	**9, 10, 11 & 12**
Economic and Demographic Information These tables offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	**13 & 14**
Operating Information These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides.	**15, 16 & 17**

Source: Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial reports for the relevant year.

City of Allen, Texas **Table 1**

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ended September 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	$ 369,314,466	$ 363,168,607	$ 355,756,224	$ 364,667,251	$ 366,322,218	$ 379,153,944	$ 391,261,029	$ 392,368,425	$ 388,795,081	$ 392,949,598
Restricted	26,511,231	26,066,205	31,476,026	32,485,173	38,303,226	39,588,223	44,872,796	13,891,413	14,807,800	16,101,110
Unrestricted	8,960,703	12,436,903	16,596,955	14,435,604	15,902,576	15,312,432	20,238,419	57,821,649	72,520,903	76,814,254
Total governmental net position	$ 404,786,400	$ 401,671,715	$ 403,829,205	$ 411,588,028	$ 420,528,020	$ 434,054,599	$ 456,372,244	$ 464,081,487	$ 476,123,784	$ 485,864,962
Business-type activities										
Net investment in capital assets	$ 99,544,466	$ 100,991,443	$ 102,340,588	$ 106,174,191	$ 107,926,811	$ 103,762,241	$ 113,459,625	$ 113,355,391	$ 113,396,556	$ 108,374,156
Restricted for debt service	364,510	26,859	344,421	216,664	195,485	46,350	571,053	513,520	764,763	1,230,726
Unrestricted	33,860,716	32,720,930	34,165,174	33,592,809	31,920,455	43,785,615	40,240,619	50,803,699	56,890,299	70,596,998
Total business-type net position	$ 133,769,692	$ 133,739,232	$ 136,850,183	$ 139,983,664	$ 140,042,751	$ 147,594,206	$ 154,271,297	$ 164,672,610	$ 171,051,618	$ 180,201,880
Primary government										
Net investment in capital assets	$ 468,858,932	$ 464,160,050	$ 458,096,812	$ 470,841,442	$ 474,249,029	$ 482,916,185	$ 504,720,654	$ 505,723,816	$ 502,191,637	$ 501,323,754
Restricted for debt service	26,875,741	26,093,064	31,820,447	32,701,837	38,498,711	39,634,573	45,443,849	14,404,933	15,572,563	17,331,836
Unrestricted	42,821,419	45,157,833	50,762,129	48,028,413	47,823,031	59,098,047	60,479,038	108,625,348	129,411,202	147,411,252
Total primary government net position	$ 538,556,092	$ 535,410,947	$ 540,679,388	$ 551,571,692	$ 560,570,771	$ 581,648,805	$ 610,643,541	$ 628,754,097	$ 647,175,402	$ 666,066,842

Source: City of Allen Annual Comprehensive Financial Reports

City of Allen, Texas **Table 2**

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ended September 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	$ 22,271,050	$ 24,940,939	$ 24,464,246	$ 25,304,811	$ 28,251,550	$ 26,764,210	$ 21,238,061	$ 24,937,087	$ 22,940,360	$ 26,469,412
Public safety	28,935,911	30,408,487	31,607,444	35,199,937	39,624,788	39,213,768	44,993,635	47,369,212	49,532,988	63,891,672
Public works	17,807,948	18,252,130	18,349,569	19,083,214	20,209,785	24,161,991	27,039,953	22,393,268	19,661,514	9,148,396
Culture and recreation	29,983,224	30,987,689	32,407,934	32,851,598	28,968,534	33,791,438	33,287,645	29,015,632	29,359,242	36,053,830
Community development	2,230,968	2,689,517	2,861,704	3,251,555	3,007,047	3,079,242	3,160,050	5,238,233	6,330,539	5,587,202
Interest on long-term debt	4,067,303	3,955,305	3,921,989	3,356,234	2,980,513	2,920,824	2,888,831	2,745,698	3,103,192	2,312,561
Total governmental activities expenses	105,296,404	111,234,067	113,612,886	119,047,349	123,042,217	129,931,473	132,608,175	131,699,130	130,927,835	143,463,073
Business-type activities:										
Water and sewer	29,160,281	30,081,379	32,304,628	35,604,182	39,527,816	41,134,685	44,511,123	45,524,999	46,442,937	46,917,817
Solid waste	5,495,654	5,383,215	5,560,294	5,870,269	6,078,853	6,223,788	6,248,035	6,525,391	6,824,441	7,088,901
Drainage	910,179	951,973	914,322	1,146,138	1,193,057	1,260,262	1,396,935	1,555,570	1,497,014	1,349,306
Golf Course	2,483,467	2,839,098	2,911,476	3,089,041	3,135,144	3,397,180	3,332,927	3,166,856	3,557,076	3,800,645
Total business-type activities expenses	38,049,581	39,255,665	41,690,720	45,709,630	49,934,870	52,015,915	55,489,020	56,772,816	58,321,468	59,156,669
Total primary government expenses	$ 143,345,985	$ 150,489,732	$ 155,303,606	$ 164,756,979	$ 172,977,087	$ 181,947,388	$ 188,097,195	$ 188,471,946	$ 189,249,303	$ 202,619,742
Program Revenues										
Governmental activities:										
Charges for Services:										
General government	$ 675,196	$ 823,801	$ 705,064	$ 467,786	$ 497,243	$ 525,542	$ 500,122	$ 509,691	$ 598,846	$ 570,560
Public safety	1,541,985	1,568,294	1,647,407	1,801,984	2,712,076	2,171,332	1,954,810	2,189,114	2,063,311	2,221,519
Public works	196,685	154,418	233,808	210,687	293,559	1,333,506	1,485,962	725,209	587,112	484,796
Culture and recreation	8,443,286	8,425,791	9,177,211	10,289,465	8,747,206	9,803,084	9,744,309	3,793,429	4,649,476	7,154,042
Community development	2,220,438	3,103,410	3,021,708	3,216,799	4,266,140	4,025,326	4,798,471	2,530,977	4,024,897	2,828,805
Operating grants and contributions	2,067,482	1,121,356	1,749,567	1,557,260	2,443,054	2,423,768	2,056,001	3,427,631	4,874,743	5,477,428
Capital grants and contributions	14,737,780	9,571,206	10,552,610	16,039,869	15,327,094	18,942,856	19,888,044	10,639,664	8,535,198	11,162,094
Total governmental activities program revenues	29,882,852	24,768,276	27,087,375	33,583,850	34,286,372	39,225,414	40,427,719	23,815,715	25,333,583	29,899,244
Business-type activities:										
Charges for services:										
Water and sewer	30,808,084	28,955,282	34,135,714	36,335,868	37,163,882	42,453,681	43,103,920	49,461,636	49,099,338	57,519,014
Solid waste	6,114,951	6,309,729	6,474,386	6,687,182	6,735,559	6,933,356	7,006,423	7,116,831	7,039,328	7,278,382
Drainage	1,352,671	1,378,662	1,465,044	1,519,405	1,648,681	1,907,407	1,763,694	2,162,770	1,826,950	1,984,067
Golf Course	1,924,706	2,537,564	2,361,384	2,705,799	2,959,361	2,810,424	3,138,144	3,199,136	4,196,161	4,502,056
Operating grants and contributions	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	-
Capital grants and contributions	3,788,300	3,685,960	4,416,642	6,172,301	5,622,911	9,734,528	10,175,397	8,332,962	5,695,888	4,072,343
Total business-type activities program revenues	44,988,712	43,867,197	49,853,170	53,420,555	54,130,394	63,839,396	65,187,578	70,273,335	67,857,665	75,355,862
Total primary government program revenues	$ 74,871,564	$ 68,635,473	$ 76,940,545	$ 87,004,405	$ 88,416,766	$ 103,064,810	$ 105,615,297	$ 94,089,050	$ 93,191,248	$ 105,255,106
								(continued)	(continued)	(continued)

City of Allen, Texas

Table 2

Changes in Net Position
Last Ten Fiscal Years (Continued)
(Accrual Basis of Accounting)
(Unaudited)

Net (Expenses) Revenue										
Governmental activities	$ (75,413,552)	$ (86,465,791)	$ (86,525,511)	$ (85,463,499)	$ (88,755,845)	$ (90,706,059)	$ (92,180,456)	$ (107,883,415)	$ (105,594,252)	$ (113,563,829)
Business-type activities	6,939,131	4,611,532	8,162,450	7,710,925	4,195,524	11,823,481	9,698,558	13,500,519	9,536,197	16,199,193
Total primary government net expenses	$ (68,474,421)	$ (81,854,259)	$ (78,363,061)	$ (77,752,574)	$ (84,560,321)	$ (78,882,578)	$ (82,481,898)	$ (94,382,896)	$ (96,058,055)	$ (97,364,636)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Property taxes	$ 44,474,745	$ 46,232,565	$ 50,143,986	$ 54,102,952	$ 58,816,876	$ 63,929,379	$ 68,865,078	$ 70,917,335	$ 71,946,802	$ 74,289,475
Sales taxes	16,289,761	18,004,636	18,141,683	19,274,983	19,450,088	20,717,505	21,648,401	21,686,335	25,599,945	27,609,918
Franchise taxes	6,302,018	6,973,705	7,412,447	7,295,931	7,553,013	7,990,092	7,810,093	7,454,713	6,821,738	7,481,353
Hotel / Motel taxes	1,350,286	1,499,512	1,544,160	1,607,263	1,547,244	1,487,066	1,759,159	1,156,398	1,337,147	2,074,533
Other taxes	1,389,503	2,151,232	1,851,397	1,621,012	1,912,559	1,704,227	2,204,220	1,195,296	1,171,378	1,425,226
Investment earnings (loss)	177,495	416,828	689,736	735,832	837,577	944,196	4,048,112	4,246,550	1,118,970	(4,921,824)
Gain on disposition of capital assets	92,401	-	-	-	263,627	446,117	-	144,347	322,084	291,333
Miscellaneous	2,079,082	2,445,491	2,650,103	3,794,277	2,703,964	3,592,229	3,460,124	4,188,530	5,311,149	8,689,016
Transfers	5,361,830	5,627,137	6,249,489	4,790,072	4,610,889	4,398,244	4,702,914	4,603,154	4,007,336	6,365,977
Total governmental activities	77,517,121	83,351,106	88,683,001	93,222,322	97,695,837	105,209,055	114,498,101	115,592,658	117,636,549	123,305,007
Business-type activities:										
Investment earnings (loss)	70,382	134,988	194,051	197,125	199,508	210,045	1,284,728	1,140,957	398,387	(1,830,191)
Gain on disposition of capital assets	-	-	-	15,503	-	13,228	-	9,713	7,585	-
Miscellaneous	385,842	850,157	1,003,939	-	274,944	21,030	396,719	353,278	444,175	1,147,237
Transfers	(5,361,830)	(5,627,137)	(6,249,489)	(4,790,072)	(4,610,889)	(4,398,244)	(4,702,914)	(4,603,154)	(4,007,336)	(6,365,977)
Total business-type activities	(4,905,606)	(4,641,992)	(5,051,499)	(4,577,444)	(4,136,437)	(4,153,941)	(3,021,467)	(3,099,206)	(3,157,189)	(7,048,931)
Total primary government	$ 72,611,515	$ 78,709,114	$ 83,631,502	$ 88,644,878	$ 93,559,400	$ 101,055,114	$ 111,476,634	$ 112,493,452	$ 114,479,360	$ 116,256,076
Change in Net Position										
Governmental activities	$ 2,103,569	$ (3,114,685)	$ 2,157,490	$ 7,758,823	$ 8,939,992	$ 14,502,996	$ 22,317,645	$ 7,709,243	$ 12,042,297	$ 9,741,178
Business-type activities	2,033,525	(30,460)	3,110,951	3,133,481	59,087	7,669,540	6,677,091	10,401,313	6,379,008	9,150,262
Total primary government	$ 4,137,094	$ (3,145,145)	$ 5,268,441	$ 10,892,304	$ 8,999,079	$ 22,172,536	$ 28,994,736	$ 18,110,556	$ 18,421,305	$ 18,891,440

Source: City of Allen Annual Comprehensive Financial Reports

City of Allen, Texas **Table 3**

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ended September 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	$ 2,098	$ 4,767	$ 1,486	$ 2,129	$ 126,833	$ 25,747	$ 209,323	$ 8,777	$ 145,700	$ 28,677
Restricted	726,953	752,238	779,185	907,908	58,910	59,386	61,304	63,185	63,627	64,234
Assigned	851,564	748,200	921,030	-	2,000,000	-	-	-	-	71,742
Unassigned	14,672,989	17,368,187	18,407,873	20,911,943	19,684,053	23,626,108	25,744,069	26,826,184	27,554,966	28,615,271
Total General Fund	$ 16,253,604	$ 18,873,392	$ 20,109,574	$ 21,821,980	$ 21,869,796	$ 23,711,241	$ 26,014,696	$ 26,898,146	$ 27,764,293	$ 28,779,924
All Other Governmental Funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ 751	$ 751	$ 751	$ 751
Restricted	34,132,037	42,149,113	51,398,430	46,610,702	57,540,668	27,922,044	31,444,917	46,411,439	72,968,241	66,742,207
Assigned	-	-	-	-	-	28,349,191	32,023,933	34,703,219	42,842,631	35,208,805
Unassigned (deficit)	-	-	-	-	-	(4,428)	-	-		
Total all other governmental funds	$ 34,132,037	$ 42,149,113	$ 51,398,430	$ 46,610,702	$ 57,540,668	$ 56,266,807	$ 63,469,601	$ 81,115,409	$ 115,811,623	$ 101,951,763

Source: City of Allen Annual Comprehensive Financial Reports

City of Allen, Texas **Table 4**

Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ended September 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REVENUES										
Ad valorem taxes	$ 44,725,261	$ 46,142,222	$ 50,177,840	$ 54,104,132	$ 58,875,936	$ 63,775,055	$68,884,826	$ 71,018,733	$ 71,825,685	$ 74,300,459
Municipal sales tax	16,289,761	18,004,636	18,141,683	19,274,983	19,450,088	20,717,504	21,648,401	21,686,335	25,599,945	27,609,918
Franchise taxes	6,302,018	6,973,705	7,412,447	7,295,931	7,553,013	7,990,092	7,810,093	7,454,713	6,821,738	7,481,353
Licenses, permits and fees	2,294,955	2,915,533	3,134,551	3,064,580	4,450,639	4,494,361	5,279,425	3,341,367	4,509,535	3,101,820
Charges for services	10,623,970	10,580,553	11,734,344	13,002,770	11,664,328	13,442,785	13,586,474	6,845,248	8,061,820	10,959,753
Fines	1,402,725	2,160,168	1,805,230	1,579,628	1,851,735	1,710,354	2,214,571	1,195,296	1,171,378	1,425,226
Gifts and contributions	1,322,228	819,408	1,012,103	832,211	712,437	852,322	1,585,613	821,914	1,296,178	2,917,033
Hotel / motel fees	1,350,286	1,499,512	1,544,160	1,607,263	1,547,244	1,487,066	1,758,858	1,156,398	1,337,147	2,074,533
Intergovernmental	5,267,026	1,704,404	3,570,737	2,645,089	1,927,567	3,555,241	1,258,398	4,210,605	9,506,946	7,511,497
Investment earnings	144,604	344,386	577,014	627,760	643,928	851,954	3,280,340	3,648,787	877,724	(3,634,356)
Miscellaneous	2,671,410	3,394,197	3,420,441	3,711,870	3,428,366	3,276,677	3,106,994	3,896,892	4,725,411	3,148,527
Total revenues	92,394,244	94,538,724	102,530,550	107,746,217	112,105,281	122,153,411	130,413,993	125,276,288	135,733,507	136,895,763
EXPENDITURES										
General government	21,785,677	23,544,055	23,996,598	24,101,637	27,182,391	26,141,256	19,902,542	23,770,757	22,222,641	26,252,997
Public safety	28,317,603	29,214,552	30,731,310	32,966,265	37,294,550	38,524,578	43,283,984	45,372,064	49,928,774	51,607,583
Public works	4,055,500	4,077,961	4,888,798	4,865,431	5,428,996	8,899,247	11,194,393	10,342,827	11,430,042	14,556,933
Culture and recreation	20,864,140	21,435,581	22,540,516	24,287,382	23,745,884	29,714,212	30,044,660	24,910,955	25,883,652	30,551,147
Community development	2,211,253	2,631,289	2,880,880	2,833,011	2,951,864	3,076,260	3,161,679	3,254,786	3,590,155	3,807,968
Capital outlay	6,123,786	6,573,002	6,555,445	15,408,293	7,053,863	13,114,988	11,921,047	9,458,085	8,483,652	36,748,922
Debt service										
Principal retirement	7,964,914	8,364,986	9,322,537	9,135,000	10,445,000	11,181,377	11,382,162	11,094,986	11,049,141	12,507,068
Interest and fiscal charges	3,955,639	3,882,394	3,931,548	3,801,812	3,378,943	3,461,414	3,407,768	3,414,094	3,737,148	4,412,050
Total expenditures	95,278,512	99,723,820	104,847,632	117,398,831	117,481,491	134,113,332	134,298,235	131,618,554	136,325,205	180,444,668
Excess (deficiency) of revenues over (under) expenditures	(2,884,268)	(5,185,096)	(2,317,082)	(9,652,614)	(5,376,210)	(11,959,921)	(3,884,242)	(6,342,266)	(591,698)	(43,548,905)
OTHER FINANCING SOURCES (USES)										
Refunding bonds issued	-	-	32,245,000	6,910,000	-		1,660,000	7,730,000	6,340,000	-
Premium on bonds issued	350,071	432,879	3,772,133	1,039,610	955,225	978,386	9,570,000	4,034,604	6,881,772	2,777,611
Issuance of debt	5,065,000	10,595,000	-	1,940,000	11,845,000	8,355,000	894,793	18,830,000	27,200,000	23,000,000
Financed purchases	-	-	-	1,700,000	-	75,622	(1,675,000)	-	100,674	-
Right-to-use leases	-	-	-	-	-	-	-	-	-	318,698
Payment to refund bond escrow agent	-	-	(28,097,931)	(7,789,058)	-	-	33,908	(8,595,000)	(7,105,226)	-
Transfer in	9,598,187	9,257,105	9,711,565	9,137,082	9,805,859	9,682,182	11,412,228	7,388,801	10,180,045	9,865,902
Transfer out	(4,571,226)	(4,484,282)	(4,847,771)	(6,384,490)	(6,295,989)	(6,639,012)	(8,554,069)	(4,554,357)	(7,481,221)	(5,314,683)
Proceeds from sale of capital assets	23,288	21,258	19,585	24,148	43,897	85,327	38,631	37,476	38,015	57,148
Total other financing sources	10,465,320	15,821,960	12,802,581	6,577,292	16,353,992	12,537,505	13,380,491	24,871,524	36,154,059	30,704,676
NET CHANGE IN FUND BALANCES	$ 7,581,052	$ 10,636,864	$ 10,485,499	$ (3,075,322)	$ 10,977,782	$ 577,584	$ 9,496,249	$ 18,529,258	$ 35,562,361	$ (12,844,229)
Debt service as a percentage of noncapital expenditures	13.4%	13.2%	13.6%	12.7%	12.5%	12.1%	12.1%	11.9%	11.6%	11.8%

Source: City of Allen Annual Comprehensive Financial Reports

City of Allen, Texas **Table 5**

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30,	Estimated Market Value				
	Real Property	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2013	$ 7,810,983,131	$ 833,800,673	$ 643,485,592	$ 8,001,298,212	0.55200
2014	8,197,352,931	789,414,854	613,723,945	8,373,043,840	0.55000
2015	9,347,795,862	885,946,440	1,071,401,599	9,162,340,703	0.54000
2016	10,892,510,607	949,453,680	1,665,547,504	10,176,416,783	0.53000
2017	12,247,829,044	1,019,719,862	1,799,062,766	11,468,486,140	0.52000
2018	13,546,087,428	1,031,270,509	1,878,212,643	12,699,145,294	0.51000
2019	14,696,634,742	1,158,167,450	1,903,666,393	13,951,135,799	0.49800
2020	15,295,656,455	1,233,701,862	2,005,309,071	14,524,049,246	0.48900
2021	15,713,691,463	1,149,504,775	1,960,955,511	14,902,240,727	0.48500
2022	16,684,318,807	1,139,418,829	2,036,419,680	15,787,317,956	0.47000

Sources: Collin Central Appraisal District

City of Allen, Texas **Table 6**

Direct and Overlapping Property Tax Rates (Per $100 Of Assessed Value)
Last Ten Fiscal Years
(Unaudited)

	City Direct Rates			Overlapping Rates					Fiscal Year Ended September 30
Fiscal Year Ended September 30,	Operating/ General Rate	General Obligation Debt Service	Total Direct	Allen Independent School District	Plano Independent School District	McKinney Independent School District	Love Joy Independent School District	Collin County	Collin County Community College District
2013	0.40506	0.14694	0.55200	1.67000	1.37340	1.54000	1.53500	0.24000	0.08630
2014	0.40912	0.14088	0.55000	1.67000	1.45300	1.67000	1.53500	0.23750	0.08364
2015	0.39836	0.14164	0.54000	1.64000	1.44800	1.67000	1.56000	0.23500	0.08196
2016	0.40627	0.12373	0.53000	1.61000	1.43900	1.67000	1.56000	0.22500	0.08196
2017	0.39627	0.12373	0.52000	1.59000	1.43900	1.62000	1.67000	0.20840	0.08122
2018	0.39274	0.11726	0.51000	1.57000	1.43900	1.62000	1.67000	0.19225	0.07981
2019	0.39346	0.10454	0.49800	1.55000	1.43900	1.59000	1.67000	0.18079	0.08122
2020	0.38704	0.10196	0.48900	1.45890	1.33735	1.48835	1.56835	0.17495	0.08122
2021	0.39052	0.09448	0.48500	1.43250	1.32375	1.47470	1.55470	0.17253	0.08122
2022	0.36876	0.10124	0.47000	1.40680	1.32075	1.37670	1.50500	0.16809	0.08122

Source: Collin Central Appraisal District

City of Allen, Texas **Table 7**

Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

2022			2013		
Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value[a]	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value[b]
VAA Improvements LLC	$ 153,294,617	0.97%	Village At Allen LP	$ 136,534,873	1.71%
Watters Creek Owner LLC	131,870,671	0.84%	AT&T Mobility LLC	125,277,718	1.57%
Allen Premium Outlets LP	119,612,244	0.76%	Coventry II DDR/Trademark Montgomery Farm	102,296,075	1.28%
Cisco Systems Inc	90,250,000	0.57%	Cisco Systems Inc	97,751,725	1.22%
AT&T Mobility LLC	75,561,432	0.48%	Chelsea Allen Development LP	76,572,529	0.96%
DD Andrews Parkway 10.495 LLC	69,122,132	0.44%	AT&T Services Inc	61,703,650	0.77%
Creekside Acquisition LP	68,054,884	0.43%	Allen Station Apartments LLC	37,854,673	0.47%
C1-Allen LLC	64,902,702	0.41%	EMC Corporation	36,780,077	0.46%
Benton Pointe LP	63,423,505	0.40%	Oncor Electric Delivery Company	34,789,545	0.43%
Settler's Gate Apartments LP	63,000,000	0.40%	BH Benton Pointe Apartments LLC	33,710,538	0.42%
Total	$ 899,092,187	5.70%	Total	$ 743,271,403	9.30%
Total Assessed Valuation	$ 15,787,317,956	100.00%	Total Assessed Valuation	$ 8,001,298,212	100.00%

Source: Collin Central Appraisal District

Notes: [a]Taxpayers are assessed on January 1, 2021 (2021 tax year) for the 2022 fiscal year.

[b]Taxpayers are assessed on January 1, 2012 (2012 tax year) for the 2013 fiscal year.

City of Allen, Texas **Table 8**

Ad Valorem Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	$ 44,390,125	$ 44,005,302	99.13 %	$ 366,464	$ 44,371,766	99.96
2014	46,466,114	45,924,321	98.83 %	527,912	46,452,233	99.97
2015	49,958,933	49,472,535	99.03 %	474,539	49,947,073	99.98
2016	54,342,759	53,821,573	99.04 %	512,309	54,333,882	99.98
2017	58,617,868	58,282,589	99.43 %	335,279	58,617,868	100.00
2018	63,184,129	62,950,713	99.63 %	212,586	63,163,300	99.97
2019	67,684,728	67,511,154	99.74 %	99,248	67,610,402	99.89
2020	70,617,878	70,550,256	99.90 %	(167,583)	70,382,673	99.67
2021	71,909,214	71,715,864	99.73 %	144,449	71,860,313	99.93
2022	73,930,484	73,746,318	99.75 %	-	73,746,318	99.75

Source: Collin County Tax Assessor

City of Allen, Texas **Table 9**

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30,	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income[a]	Per Capita[a]
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Other Obligations	Water and Sewer Revenue Bonds	Other Obligations			
2013	$ 96,735,000	$ 800,000	$ -	$ 2,433,439	$ 9,370,000	$ 456,061	109,794,500	3.10%	1,204
2014	99,245,000	530,000	-	4,615,649	8,015,000	691,493	113,097,142	2.87%	1,213
2015	95,690,000	490,000	-	7,258,749	6,735,000	596,700	110,770,449	2.90%	1,171
2016	93,920,844	450,000	1,940,000	1,700,000	5,760,000	448,387	104,219,231	2.60%	1,044
2017	96,184,995	405,000	1,255,000	1,250,000	4,760,000	282,326	104,137,321	2.21%	1,015
2018	94,460,400	-	635,000	864,245	13,850,800	719,391	110,529,836	2.35%	1,032
2019	91,466,739	-	2,600,000	75,991	16,637,388	569,182	111,349,300	2.28%	1,016
2020	98,980,840	-	4,920,000	46,005	21,581,071	423,155	125,951,071	2.58%	1,149
2021	92,079,808	28,278,061	3,917,980	102,538	32,435,106	332,535	157,146,128	3.26%	1,452
2022	104,656,037	26,338,466	2,379,838	1,020,867	30,469,408	279,154	165,143,770	3.14%	1,515

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[a]See Table 13 for personal income and population data.

City of Allen, Texas **Table 10**

Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30,	General Bonded Debt Outstanding				Percentage of Actual Taxable Value of Property[a]	Per Capita[b]
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Total		
2013	$ 96,735,000	$ 800,000	$ -	$ 97,535,000	1.22%	1,087
2014	99,245,000	530,000	-	99,775,000	1.19%	1,095
2015	95,690,000	490,000	-	96,180,000	1.05%	1,031
2016	93,920,844	450,000	-	94,370,844	0.93%	998
2017	96,184,995	405,000	1,255,000	97,844,995	0.85%	980
2018	94,460,400	-	635,000	95,095,400	0.75%	927
2019	91,466,739	-	2,600,000	94,066,739	0.67%	878
2020	98,980,840	-	4,920,000	103,900,840	0.72%	948
2021	92,079,808	28,278,061	3,917,980	124,275,849	0.83%	1,149
2022	104,656,037	26,338,466	2,379,838	133,374,341	0.84%	1,223

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

[a]See Table 5 for property value data.

[b]See Table 13 for population data.

City of Allen, Texas **Table 11**

Direct and Overlapping Governmental Activities Debt
as of September 30, 2022
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (**a**)	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes:			
Allen I.S.D.	$ 677,381,321	85.82%	$ 581,328,649
Plano I.S.D.	492,195,000	0.84%	4,134,438
McKinney I.S.D.	533,850,000	0.06%	320,310
Lovejoy I.S.D.	146,105,000	9.68%	14,142,964
Collin County	543,645,000	9.17%	49,852,247
Collin College	498,565,000	9.17%	45,718,411
Subtotal, overlapping debt			$ 695,497,018
City of Allen direct debt outstanding	134,395,208	100.00%	134,395,208
Total Direct and Overlapping Debt			$ 829,892,226

Source: Taxable value data used to estimated applicable percentages provided by Collin Central Appraisal District. Net Bonded Debt Outstanding and Percentage of debt obtained from the Texas Municipal Report ("TMR") that was prepared by the Municipal Advisory Council of Texas ("MAC").

Notes: (**a**) The percentage of applicable overlapping debt is estimated using taxable property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the City of Allen's boundaries and dividing it by the county's total taxable assessed value.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. This does not imply that every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government.

City of Allen, Texas **Table 12**

Pledged Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30,	Water and Sewer System Revenue Bonds				
	Total Revenues[a]	Less: Operating Expenses[b]	Net Available Revenue	Annual Requirement[c]	Times Coverage
2013	$ 32,199,528	$ 23,061,918	$ 9,137,610	$ 1,588,049	5.75
2014	30,887,999	23,754,848	7,133,151	1,585,519	4.50
2015	36,275,063	26,397,770	9,877,293	1,513,860	6.52
2016	36,509,983	29,287,984	7,221,999	1,173,576	6.15
2017	37,609,746	33,023,729	4,586,017	1,169,082	3.92
2018	42,629,369	34,843,950	7,785,419	1,181,675	6.59
2019	44,571,666	38,156,431	6,415,235	1,501,610	4.27
2020	50,750,704	39,026,679	11,724,025	1,501,611	7.81
2021	49,805,566	39,647,944	10,157,622	1,874,030	5.42
2022	56,776,891	40,235,647	16,541,244	2,595,735	6.37

Notes:
[a] As of 2009, Development fees are no longer included as part of the non-operating revenues and therefore are not included in the times coverage calculation.
[b] Includes operating expenses minus depreciation.
[c] Includes Principal and Interest.

City of Allen, Texas **Table 13**

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30,	Estimated Population[a]	Personal Income	Per Capita Personal Income[b]	School Enrollment[c]	Unemployment Rate[d]
2013	89,705	$ 3,709,032,635	41,347	20,295	5.2%
2014	91,157	3,542,543,334	38,862	20,503	4.4%
2015	93,261	3,940,277,250	42,250	20,755	3.2%
2016	94,576	3,823,896,832	40,432	20,973	3.6%
2017	99,852	4,007,759,724	40,137	21,054	3.1%
2018	102,632	4,715,221,976	45,943	21,567	3.2%
2019	107,151	4,694,285,310	43,810	21,791	2.8%
2020	109,591	4,876,032,363	44,493	21,538	6.2%
2021	108,207 [e]	4,814,454,051	44,493	21,390	3.6%
2022	109,039	5,267,128,895	48,305	21,808	2.8%

Sources: [a]Estimated population provided by the City of Allen.

[b]Estimated Per Capita Income provided by U.S. Census Bureau based on current income trends within the area.

[c]Allen Independent School District.

[d]Texas Workforce Commission.

[e]The reduction in population from prior years is due to inaccurate estimates used between the 2010 and 2020 decennial censuses.

City of Allen, Texas **Table 14**

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

2022			2013		
Employer	Total Employees	Percentage of Total City Employment	Employer	Total Employees	Percentage of Total City Employment
Allen Independent School District	2,779	7.73%	Allen Independent School District	2,299	8.28%
Experian Information Solutions	817	2.27%	Experian	784	2.82%
City of Allen	858	2.39%	City of Allen	746	2.69%
Jack Henry & Associates	662	1.84%	Frontier Communications	700	2.52%
GC Packaging LLC	600	1.67%	Presbyterian Hospital	670	2.41%
Texas Health Presbyterian Hospital	425	1.18%	PFSweb	450	1.62%
Netscout	420	1.17%	Andrew Distributing	450	1.62%
Crawford and Company	365	1.01%	Jack Henry & Associates	422	1.52%
Motorola Solutions	351	0.98%	Cabela's	260	0.94%
Andrew's Distributing	328	0.91%	Graphic Converting	215	0.77%
Total	7,605	21.14%	Total	6,996	25.21%
Total Allen Daytime Employees	35,974		Total Allen Daytime Employees	27,756	

Source: Top ten employers and employee count provided by Allen Fairview Chamber of Commerce and Allen Economic Development Corporation.

City of Allen, Texas **Table 15**

Full–Time Equivalent City Government Employees by Function & Program
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year Ended September 30									
Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government and Administration	62.00	64.00	67.00	70.50	72.50	75.50	77.00	80.48	82.48	84.73
Public Safety	284.50	286.00	295.00	299.00	299.00	305.00	316.00	319.00	320.00	326.00
Public Works	53.00	54.50	55.50	59.00	59.00	60.50	62.50	63.50	63.50	62.50
Culture and Recreational	214.50	212.27	215.71	221.31	221.31	226.32	228.32	227.82	223.32	223.32
Water and Sewer	66.50	68.00	69.00	70.00	74.00	76.50	79.00	80.00	80.00	83.00
Golf Course	32.54	32.54	33.64	33.64	33.64	33.64	33.64	32.14	32.14	32.14
Community Development	26.00	27.00	27.50	28.50	27.50	30.50	32.00	32.00	34.00	35.00
Risk Management	3.00	4.00	4.00	4.00	4.00	4.00	3.50	3.50	4.50	4.50
Economic Development	4.25	6.25	7.00	7.00	7.00	7.00	7.50	7.50	7.50	7.50
Total	746.29	754.56	774.35	792.95	797.95	818.96	839.46	845.94	847.44	858.69

Source: City of Allen's Annual Official Budgets

City of Allen, Texas **Table 16**

Operating Indicators by Function & Program
Last Ten Fiscal Years
(Unaudited)

Function/Program	Fiscal Year Ended September 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Police										
Number of Employees	174	175	183	185	185	189	199	201	202	204
Number of Violations (Citations)	13,902	19,943	14,000	13,645	18,778	17,025	21,060	8,774	10,715	11,721
Fire										
Number of Employees	110	111	112	114	114	116	117	118	122	122
Number of Fire/Other runs	1,377	1,541	1,622	1,822	1,886	1,896	1,899	1,912	2,490	2,406
Number of EMS runs	3,613	3,703	3,812	4,162	4,210	4,667	4,898	4,725	5,753	6,251
Development Services										
Streets paved (miles)	1	4	1	5	5	6	2	2	87	26
Building Permits Issued[a]	6,013	9,538	7,549	7,022	7,116	7,126	9,414	6,440	6,104	5,531
Cultural and Recreational										
Parks and Recreation										
Park maintained & operated per acre	$ 3,827	$ 4,022	$ 4,083	$ 4,092	$ 4,668	$ 4,675	$ 3,679	$ 3,667	$ 3,771	$ 3,988
Participants in Leisure Service Programs	666,452	646,719	568,503	638,367	911,064	955,441	1,002,717	528,935	595,869	791,359
Rounds of Golf[c]	33,615	45,546	39,723	44,478	47,010	44,163	49,293	54,556	66,518	70,597
Library										
Volumes in Collection[b]	124,226	128,501	132,380	138,041	141,774	139,605	146,699	143,103	142,324	143,495
Water and Sewer										
Number of Water Consumers	28,669	29,124	29,750	30,332	30,920	31,391	31,922	32,334	33,109	33,385
Average Daily Water Consumption (gallons)	14,479,000	11,863,621	13,284,000	14,472,000	15,107,156	15,926,000	15,454,057	15,710,457	16,143,000	15,296,000
Maximum Storage Capacity (million of gallons)	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33	33.0	33.0
Sanitation										
Recyclables Collected (tons)	9,667	9,920	10,015	10,108	10,578	10,723	10,073	10,343	9,838	10,340
Solid Waste Collected (tons)	53,445	55,142	59,591	62,009	63,712	66,333	65,242	66,515	66,773	66,288

Source: City of Allen Departments

Notes: [a]Includes residential, commercial, and miscellaneous permits (e.g. for pools, fences, and roof repairs).

[b]Includes books and media.

[c] The Golf Course was closed for renovations during fiscal 2012 and was re-opened in January 2013.

City of Allen, Texas **Table 17**

Capital Assets Statistics by Function & Program
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year Ended September 30									
Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Units	27	27	27	28	31	31	31	31	44	53
Fire Stations	5	5	5	5	5	5	5	5	5	5
Police Motorcycle Units	4	4	4	4	4	4	4	4	4	4
Development Services										
Streets-Paved (miles)	326	330	331	336	341	347	349	351	438	377
Alleys-Paved (miles)	163	165	166	167	168	169	169	169	180	178
Cultural and Recreational										
Parks (acres)	597	599	599	607	614	689	691	691	691	710
Playgrounds	32	32	32	32	32	32	32	32	31	31
Swimming Pools (outdoor)	1	1	1	1	1	1	1	1	1	1
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Tennis Courts	5	5	5	5	5	5	5	5	5	5
Natatorium	1	1	1	1	1	1	1	1	1	1
Visitor (Youth) Center	1	1	1	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1	1	1	1
Event Center	1	1	1	1	1	1	1	1	1	1
Water and Sewer										
Water Mains (miles)	467	471	474	481	494	506	515	524	524	502
Fire Hydrants	4,210	4,329	4,398	4,560	4,675	4,982	4,934	5,316	5,359	5,409
Sanitary Sewers (miles)	352	354	356	361	370	379	386	393	393	372
Storm Sewer Lines (miles)	108	109	110	112	117	123	129	136	224	226

Source: City Of Allen Departments